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The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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Our Reporter On "Governments"

Despite its billion-dollar size, the refunding operation, in itself, may be considered of only minor importance. . . . It was more or less a routine affair; it involved few of the problems that ordinarily accompany out-and-out cash borrowings; it certainly wasn't as crucial a deal, as, say, the recent issue of 2½s. . . .

But the refunding brought out several points of vital significance to all present and potential holders of U. S. Government obligations. . . . And if you haven't recognized these angles as yet, you would be wise to read and consider the following seriously. . . .

In the first place, many holders of the called Treasury 1¾s, RFC and FFMC notes did not wait for the new issue to reinvest their funds. . . . They "did their own refunding" instead a week or several days before the actual announcement. . . .

They bought tax-exempt notes and bonds with the funds released by redemption of the tax-exempt direct and guaranteed issues. . . .

Their interest was in tax-exemption—not in the money to be made on a refunding transaction. . . .

That's important. . . . Perhaps your position dictates similar action. . . .

In the second place, the issue indicated the Treasury's continuing reliance upon the commercial banks as a source of cash during the coming period of record-high spending, unprecedented borrowing. . . .

The savings banks are going to become less and less important as purchasers of Government issues as their deposits dwindle—due

(Continued on page 213)

Over-The-Counter Dealers Must Unite

Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

In our issue of December 18 we carried an article under the above heading. It disclosed the situation which has arisen under the new NASD system of preparing quotations on over-the-counter securities for publication in the press.

We concluded with a request that over-the-counter dealers write us their views on the subject.

On December 25 and succeeding weeks we presented a number of replies received prior to that date.

Today we make room for others which have since come to hand. Further comments and suggestions are urgently asked. Requests that names not be printed will be scrupulously observed.

We have read your articles dealing with the subject of "Over-the-Counter" newspaper quotations and the comments thereon with a great deal of interest.

Quotations appearing in the newspapers would seem to have two important functions: First, to keep the security holder informed as to the value of the securities he holds, and second, to stimulate public interest in securities. It seems to us that the present system of quoting "Over-the-Counter" securities fails to do either of these things at all well and that in view of this failure, the complete situation should be reviewed.

It is probable that a few simple changes will not completely remedy the condition. We have never found it possible to set profits even in a given stock or bond which could be fairly and justly applied to every sale. It should be remembered in this connection that "Over-the-Counter" dealers charge a commission not for the actual execution of the business, but for the careful analysis and inspection that has gone before the execution and that will continue to be available to the buyer without charge so long as he may hold that security. In view of this fact, it would appear to be impossible to arrive at a method of computing quotations that will be sufficiently flexible to apply to any given situation. And yet, it is our sincere desire to arrive at a method which will enable our customers to tell what the approximate value of their securities is.

Radical as the idea may at first sound, we have come to the conclusion, after months of thought and discussion both with other dealers and with interested individuals, that the entire purpose would be better served if "Over-the-Counter" securities were quoted with one definite price. The situation would then be that instead of finding his stock quoted 15-18 and an actual market of 15¾-16¼, the individual would see his security quoted at $16.50 a share and he could multiply that price by the number of shares which he held and quickly arrive at an estimate of its value. And in the event that he wanted to trade on that market, it would probably be less difficult to explain the variance of the actual bid or ask from the stated quotation than it now is to explain the variance between the quoted and actual market.

This radical departure from custom would require a certain amount of educational work on the part of all retail dealers. But having gotten that educational work done we would then have a system of quotations which would arouse the interest of the uninitiated and perhaps bring more fresh money into our markets for

(Continued on page 210)

OUR REPORTER'S REPORT

As the time approaches for tender of bids for the $80,000,000 of 30-year bonds of the Alabama Power Company, noon Monday is the deadline, the situation finds only one syndicate definitely in the field for the business.

But there are rumblings that suggests the strong possibility of a "surprise" bid for the issue which, incidentally, is the largest undertaking yet attempted under the Securities and Exchange Commission's Rule U-50 which provides for the sale of utility issues through competitive bidding.

It was pointed out in underwriting quarters that the deal, as it shapes up, is made almost to

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Tri-City Traders Plan Gala Round Of Dinners

CHICAGO, ILL. — The Bond Traders Club of Chicago, the Bond Traders Club of Kansas City, and the Security Traders Club of St. Louis, announce their winter dinners to take place early in February, at the Palmer House, Chicago on Feb. 3, at the Kansas City Club, Kansas City, Feb. 5, and at the Hotel Statler, St. Louis, Feb. 6.

Special round trip accommodations from Chicago are being offered by the Chicago group, covering rail and Pullman accommodations, rooms in Kansas City and St. Louis, dinner on the train, guest fees at St. Louis and Kansas City, etc. Reservations and further information may be obtained from Firmin D. Fusz, Jr., Fusz-Schmelzle & Co., St. Louis, Mo.; Edward H. Welch, Sincere & Co., Chicago; and L. B. Carroll, Prescott, Wright, Snider Co., Kansas City.

Dempsey, Tegeler & Co. of St. Louis will entertain traders coming to the St. Louis dinner at breakfast in St. Louis on Friday morning.

◆

Van Wilmer Joins Wurts, Dulles Co.

PHILADELPHIA, PA.—Van B. Wilmer, formerly a partner in Wilmer & Co., has become associated with Wurts, Dulles & Co., 1416 Chestnut Street, members of the New York and Philadelphia Stock Exchanges.

Leslie Rodgers, Jr. Now With H. N. Nash & Co.

PHILADELPHIA, PA.—J. Leslie Rodgers, Jr., has become associated with H. N. Nash & Co., 1421 Chestnut Street, specialists in bank and insurance stocks, in their trading department. Mr. Rodgers was formerly with Hendricks & Eastwood, Swart, Duntze & Co., Inc. and G. M.-P. Murphy & Co. in their bank and insurance trading departments.

E. R. Jones Forms Own Firm In Balt.

BALTIMORE, MD. — Elisha Riggs Jones, member of the Baltimore Stock Exchange, has formed the firm of E. R. Jones & Co., with offices at 221 East Redwood Street, in partnership with Thomas Hanson Sherman. The new organization will act as brokers and dealers in municipal and corporation securities. Associated with the firm is E. M. Everton, as Cashier.

Mr. Jones was formerly a partner in Stein Bros. & Boyce and Mr. Sherman was connected with Mackubin, Legg & Co.

◆

Interested In Sugar?

An analysis of Utah-Idaho Sugar, prepared by Edward L. Burton & Co., 160 South Main Street, Salt Lake City, Utah, has just come off the press. The outlook for the stock is most promising according to the Burton Company, which will send copies of the analysis upon request.

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Subscriptions in United States and Possessions $26.00 per year, $15.00 for 6 months; in Dominion of Canada, $27.50 per year, $15.75 for 6 months. South and Central America, Spain, Mexico and Cuba, $29.50 per year, $16.75 for 6 months; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year, $17.50 for 6 months. NOTE: On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

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Pittsburgh Steel Co. Bonds Are Offered

A. G. Becker & Co., Inc., on Jan. 14 offered $2,000,000 Pittsburgh Steel Co. first mortgage bonds, series B, 4½%, due 1950, at 99% and accrued interest from Dec. 1, 1941. This is an additional series of the company's first mortgage bonds which are listed on the New York Stock Exchange where application for listing the new series will be made.

Of the net proceeds to the company from the sale of the bonds, $893,000 will be deposited with the trustee for future withdrawals against property additions now contemplated. The balance of the net proceeds will be added to working capital for reimbursing the company in part for the cost of property additions constructed or acquired in the 12 months ended Nov. 30, 1941.

The company has made appropriations for the installation of two new boilers and is considering the erection of a building and purchase and installation of forging and heat treating equipment for the manufacture of hollow tubular freight car axles, a new product recently patented by the company.

In the five years and nine months ended Sept. 30, 1941, the company and its subsidiaries made expenditures of $16,251,888 for repairs and maintenance, $9,029,758 for capital improvements and on Sept. 30, 1941, had on deposit cash of $3,889,850 to be applied to the construction of a by-product coke plant.

At the request of the Office of Production Management, the company has filed two applications for the erection at the expense of the Government of certain additional iron and steel-making facilities. The facilities covered by these applications are estimated to cost approximately $16,200,000 and $870,000, respectively.

Union Oil Co. of Cal. Debs. Oversubscribed

New capital financing for Union Oil Co. of California was carried out Jan. 13 with the offering of $15,000,000 of 3% debentures, due Jan. 1, 1967, by an underwriting group headed by Dillon, Read & Co. The debentures were priced at 99½%, plus accrued interest. Dillon, Read & Co., on behalf of the group of underwriters, announced that the selling group books were closed the day of offering.

Net proceeds from the sale are initially to become a part of the company's general funds and as such may be used for such purposes as the management may from time to time determine. The company intends to make capital expenditures of substantial amounts, the exact nature and cost of which cannot be determined at the present time.

Upon completion of the financing the funded debt of the Union Oil Co. of California will consist of $30,000,000 of 3% debentures due Aug. 1, 1959, and $15,000,000 of 3% debentures due Jan. 1, 1967, exclusive of $7,958,500 of non-redeemable 6% bonds, due May 1, 1942, funds for the payment of which at maturity are on deposit in irrevocable trust. Capital stock outstanding consists of 4,666,270 shares of $25 par value.

NY Security Dealers Appoint 1942 Officers

At a meeting of the Board of Governors of the New York Security Dealers Association the following officers were appointed for the year 1942: Frank Dunne, Dunne & Co., President; Clarence E. Unterberg, C. E. Unterberg & Co., and John J. O'Kane, Jr., John J. O'Kane, Jr. & Co., Vice-Presidents; Tracy R. Engle, Secretary, and Fred J. Rabe, Treasurer.

Philip L. Carret of Carret, Gammons & Co. was added to the Board of Governors to serve for three years.

The following were elected to active membership in the Association:

Blair F. Claybaugh, Blair F. Claybaugh Co.; Henry C. Keister, Jr., Adams, Keister & Co., Inc.; William E. Lohrman, Wm. E. Lohrman Co.; and J. Arthur Warner, J. Arthur Warner & Co.

J. J. Lamb Now With Blair F. Claybaugh Co.

J. Joseph Lamb has become associated with the New York office of Blair F. Claybough Co., 72 Wall Street. He will specialize in industrial securities. Mr. Lamb was formerly with Winslow, Douglas & McEvoy and prior thereto was manager of the industrial stock department for J. F. Sammon & Co.

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January 8, 1942

Admit King; Firm Now Hixon, Stewart & King

CHICAGO, ILL.—Announcement is made of the admission of Thomas E. King to Hixon & Stewart as a general partner and the change of the firm name to Hixon, Stewart & King. Mr. King was formerly a partner of Langill & Co. here and will continue to trade unlisted securities specializing in public utilities. Hixon, Stewart & King are members of The Chicago Stock Exchange and maintain offices at 120 South La Salle Street.

Mr. Hixon is chairman of the board of the Hixon-Peterson Lumber Company in Toledo and Vice-President and Director of the McCloud River Railroad Company in California. Mr. Stewart is the son of the late Bishop George Craig Stewart of the Episcopal Church and formerly had his own firm, Thorson & Stewart. He is a Governor of The Chicago Stock Exchange.

Newspapers Raise Prices

Subscription rates have been raised by twenty-five Pennsylvania daily newspapers in the last year—most of them in the last few weeks—to meet increased operating expenses, William N. Hardy, manager of the Pennsylvania Newspaper Publishers Association, reported today. Higher pay rolls and heavier taxes forced the papers to raise the prices, said Hardy.—N. Y. "Herald Tribune."

Nominating Committee Is Elected By NYSE

The January, 1942, Nominating Committee of the New York Stock Exchange has been elected. The committee is composed of:

Three members of the Exchange: Austin Brown, Dean Witter & Co.; Charles S. Hirsch, Jr., Hirsch, Lilienthal & Co.; and Walter W. Stokes, Jr., Stokes, Hoyt & Co.

Two allied members of the Exchange: Newcombe C. Baker, Laird, Bissell & Meeds; and Holstein De Haven Fox, A. C. Wood, Jr. & Co., Philadelphia.

The Committee will hold open meetings in the month of March, to which members and allied members of the Exchange and also non-member limited partners will be invited for the purpose of suggesting nominees for the offices and positions to be filled at the Annual Election of the Exchange on May 11.

A slate of nominees will be reported by the Nominating Committee on April 13.

Fred Fairman, Jr. With OPM Priorities Div.

CHICAGO, ILL.—Fred W. Fairman, Jr., partner of the stock exchange firm of Fred W. Fairman & Co., has taken a leave of absence from the firm to join the Priorities Division of the Office of Production Management in Washington, D. C.

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H. Taylor Sales Mgr. Of R. E. Crummer Co.

CHICAGO, ILL.—Harry A. Taylor, associated with R. E. Crummer & Company for the past 20 years, has been named sales Manager of the Crummer organization, C. S. Turner, Vice-President, announced. Mr. Taylor will be in charge of sales in the main office in Chicago and the firm's branches in Wichita, Orlando, Fla., Miami, St. Paul, Kansas City, Des Moines, and Omaha. He was previously with the Texas and Wichita offices and for eight years was in the Orlando office. He came to Chicago more than a year ago to head the trading department.

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Fisher & Nimick Are To Become Partners

PITTSBURGH, PA.—Charles N. Fisher and T. Howe Nimick will be admitted to partnership in Singer, Deane & Scribner, Union Trust Building, members of the New York and Pittsburgh Stock Exchanges, as of Jan. 22. Mr. Fisher has been associated with the firm for a number of years as manager of the municipal bond department. Mr Nimick has also been connected with them for sometime.

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"JOTTINGS"

This puerile attack on business, and particularly on the automobile industry, for having hamstrung defense with "business as usual" before Pearl Harbor, wouldn't last a minute if business had a decent public relations technique. Only two years ago business was being belabored for favoring war and craving munitions orders as "merchants of death." Only six months ago leading New Deal "thinkers" were pushing their own version of "business as usual" in the form of "guns and butter"—pressure for expanding output so as to take care of civilian requirements. Gano Dunn warned, for instance, that expansion of steel capacity for this purely civilian purpose would cramp the immediate needs of defense users of steel. Only recently, it seems, has the Administration given up its pressure for the St. Lawrence waterway. The REA is still using scarce copper to build transmission lines duplicating private lines.

As to the auto industry. . . . (1) If it has been getting materials at the expense of essential war industries, then something has been seriously wrong with the priorities system. Either it hasn't been working, or Washington hasn't been using it drastically enough. Mere common sense would give the automobile industry any materials it could get after the priorities system had allowed for defense requirements.

(2) In fact there was no real need for a Washington order cutting automobile production by stipulated monthly percentages below 1940-1941. Priorities should have taken care of the situation, leaving the automobile people to produce what they could. Yet the illeberal ("liberal") periodicals are now damning the industry even for asking permission to keep its assembly lines busy long enough to put together the remaining parts on hand.

(3) The automobile industry took all the arms orders it could get and almost invariably beat the schedules, both for the construction of new plant and for turn-out of new tanks, airplane engines, etc. But the orders were slow. They were window dressed with large dollar-orders to plants which could not possibly deliver until 1944, but immediate orders were small. Business men wore out shoe-leather in Washington trying to get larger ones. Some went ahead on letters of intent or even gambled on new plant without any orders at all.

(4) Washington discouraged defense construction by slowness on liberalizing the amortization allowance, by slowness on removing the anti-trust threats to cooperative action, by slowness in cutting procurement red tape, by slowness in stream-lining the defense set-up, and by slowness in removing the profit handicaps on arms output.

(5) Auto assembly lines are not built for aircraft assembly and can't be used for it. The industry depends largely on specialized tools which can't be converted. Where conversion was possible, particularly in the accessory and equipment plants, these plants turned out all the parts they could get orders for.

(6) Responsibility goes with authority, and one of the Admin-

(Continued on page 211)

This advertisement is not, and is under no circumstances to be construed as, an offering of securities for sale, or as a solicitation of an offer to buy any of such securities.

This offering is made only by the Prospectus.

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January 15, 1942

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JACKSON & CURTIS

DALLAS

Bought — Sold — Quoted
Dr. Pepper
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New Mexico Gas Co. Com. & Pfd.
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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK CITY—**Italo Conte** has been added to the staff of **Hayden, Stone & Co.,** 25 Broad Street.

(Special to The Financial Chronicle)
BOSTON, MASS. — **Henry H. Noyes** has become connected with **Raymond & Company,** 35 Congress Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Julius R. Offenhauer** and **Carl B. Ross** have become associated with **Brailsford, Rodger & Co.,** 208 South La Salle Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**James P. McMahon** is now with **John A. Dawson,** 1 North La Salle Street.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Lucian B. Christiano** has joined the staff of **Dempsey-Detmer & Co.,** 135 South La Salle Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**John H. Boyle** has become associated with **Shields & Co.,** 135 South La Salle Street. Mr. Boyle was formerly with Lamson Bros. & Co., and Harris, Burrows & Hicks.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**James Edwin Claflin** has become affiliated with **Webber, Darch & Company,** 208 South La Salle Street. Mr. Claflin was formerly with Wolf & Company, Inc., industrial engineers.

(Special to The Financial Chronicle)
CINCINNATI, OHIO — **M. Alfred Mack** has joined the staff of **A. E. Aub & Co.,** Union Trust Building.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Harry J. Doerfler** has rejoined the staff of **Keane & Co.,** Penobscot Building. Mr. Doerfler was recently with W. E. Hutton & Co.

(Special to The Financial Chronicle)
FREEPORT, ILL.—**R. E. Stuart,** previously with Brailsford, Rodger & Co., has become associated with **King & Conrads,** 317 West State Street, Rockford, Ill.

(Special to The Financial Chronicle)
LANSING, MICH.—**Everett V. Eschbach,** formerly local manager for W. E. Hutton & Co., is now connected with **Merrill Lynch, Pierce, Fenner & Beane,** 108 West Allegan Street.

(Special to The Financial Chronicle)
LONG BEACH, CALIF.—**Warren D. Lamport** has become affiliated with **E. F. Hutton & Co.,** 219 East Broadway. Mr. Lamport was previously local representative of Conrad, Bruce & Co., Nelson Douglass & Co., and E. H. Rollins & Sons.

(Special to The Financial Chronicle)
LONG BEACH, CALIF.—**Charles Reginald Henderson** has joined the staff of **W. Mel Wilson & Co.,** 136 Pine Ave.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**John J. O'Donnell,** previously with Butler-Huff & Co. of California, is now affiliated with **Quincy Cass Associates,** 530 West Sixth St.

(Special to The Financial Chronicle)
MANCHESTER, N. H.—**Walter E. Wheeler** has been added to the staff of **R. H. Johnson & Co.,** 31 State Street, Boston, Mass.

(Special to The Financial Chronicle)
PORTLAND, ME.—**Maurice A. Gellerson** has rejoined the staff of **Bowers & Co.,** Bank of Commerce Building. Mr. Gellerson was recently with Timberlake & Co.

(Special to The Financial Chronicle)
PORTLAND, ME.—**Ralph W. E. Giles,** formerly with Bowers & Co., is now associated with **R. H. Johnson & Co.,** 31 State St., Boston, Mass.

(Special to The Financial Chronicle)
PORTLAND, ME. — **Henry P. Damrell** is now with **J. Arthur Warner & Co.,** Chapman Building.

(Special to The Financial Chronicle)
PORTLAND, ORE.—**John F. T. Kirkup** has become associated with **Hughes, Humphrey & Co.,** 309 South West Sixth Ave. Mr. Kirkup was previously with Russell, Hoppe, Stewart & Balfour, Humphrey & Galbraith, and Stephenson, Leydecker & Co.

(Special to The Financial Chronicle)
ROCKFORD, ILL.—**John Adams Kadel** is now with **King & Conrads,** 317 West State St., Mr. Kadel was formerly with the Byron State Bank of Byron, Ill.

(Special to The Financial Chronicle)
JEFFERSON CITY, MO.—**Malcolm Bradlee Epstein** is now associated with **A. G. Edwards & Sons,** 409 North Eighth St., St. Louis, Mo.

(Special to The Financial Chronicle)
ST. LOUIS, MO.—**Paul T. Phiambolis,** for many years with Neuwoehner, Gremp & Co., is now with **Francis, Bro. & Co.,** Fourth & Olive Sts.

(Special to The Financial Chronicle)
ST. LOUIS, MO. **Bertram A. Doering** is now affiliated with **Scherck, Richter Co.,** Landreth Building.

(Special to The Financial Chronicle)
SAN DIEGO, CALIF.—**Clifford Penn Thomas,** previously with Fox, Castera and Co., is now associated with **Wheaton and Roberts,** Bank of America Building.

(Special to The Financial Chronicle)
SPOKANE, WASH. — **A. J. Reinhart** has been added to the staff of **E. J. Gibson & Co.,** 5 Wall Street.

Tomorrow's Markets Walter Whyte Says—

I can see another set back which may carry stocks at least to the lows made in the last week of December; hence I can see no point in taking new positions now; better to liquidate and hold cash for better opportunities; details below.

By WALTER WHYTE

Last week I spoke about a pending 2 to 4 point reaction to be followed by a snap back that would retrace most, if not all, of the lost ground.

* * *

Since this was written, you have seen what has happened. The market did go down, maybe not the full four points that were originally indicated, but certainly the two points.

* * *

On Tuesday the reaction seemed to be over and before the close, the market picked up momentum and regained at least part of its lost ground. As a matter of fact, Tuesday was one of the strongest days we have seen since the market made it's last top on January 4th. Yet there were two things missing from that day, and the day following, Wednesday, which to me put a damper on the proceedings.

* * *

The first was volume; of course with the year-end tax selling and general evening up out of the way it is too much to expect for volume to hold up. However, if volume of importance was lacking the kind of buying I saw most of the last two days was definitely not the kind that would make me stand up and cheer. On the contrary, the buying at times, was the kind that made me look for bogey men.

* * *

First there was the sudden outburst in the rubbers and the oils. I hear and read that this was the result of the Washington announcement that the Government was planning to spend a lot of money to build plants that would turn out some 400,000 tons of ersatz rubber. The theory apparently was, that this added or substitute production of rubber would eliminate the fear that gasoline consumption would be sharply curtailed. Secondly, the new production of rubber might even eliminate the tire rationing program. Both these arguments sound silly to me.

* * *

It will take at least a year before any large amounts of substitute rubber can become available and before then a lot of things can happen.

In case you don't know it, we are still in a war, a war that so far isn't going so well for us. This brings me to another commonly accepted argument that proposes to show that our market is now going higher.

* * *

Any number of market letter writers have recently begun pointing out that our market is now in the same position the London market was right after the retreat from Dunkirk. It has been pointed out, that even if Singapore falls, it would not affect the market anymore than it has already. I expressed the same theory last week. But since then I have changed my mind.

* * *

I'll be frank and admit, that I have few sound reasons on which to base this change; certainly none that I can put down in black and white. Still there is something about this market that doesn't sound true.

* * *

I'll also admit, that I can't see any sharp reaction ahead, but I can see another set back that to all intents and purposes can carry stocks back to at least the lows made in the last week in December. That being the case I see little point in taking on new positions at this time, or for that matter holding on to old positions in the hope that they will escape. It seems to me that the wisest thing would be to liquidate and hold cash for better opportunities.

* * *

If you have bad stocks, you certainly don't want them. If you have good stocks, then you'll be able to buy them back cheaper. In any case a sharp look out for a sudden change in market direction is indicated.

* * *

Two weeks ago I recommended Intercontinental Rubber at just under 7. Last week it crossed 10. Incidentally, this is one of the few companies that has supplies of the substitute rubber on hand. Still, I expect the stock to sink back to about 8 before it starts going again.

* * *

Another stock you are long of is Gulf, Mobile & Ohio, pfd.

(Continued on page 212)

Guaranteed Railroad Stocks

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Despite the outlook for interminable delays in consummation of a reorganization plan, the Chicago, Milwaukee & St. Paul General Mortgage bonds have been among the most buoyant of the rail securities during recent weeks of general strength. When the reorganization plan was turned back by the Circuit Court early in December, the bonds displayed only modest weakness. In the following week, however, all security markets were dominated by the opening of the war with Japan. St. Paul Generals broke about 8 points, selling close to the 1941 lows in this phase. In a month since the establishment of the war market lows the bonds have staged a recovery of some 12 points, an advance of more than 38%, and at the end of last week were selling at the highest levels reached since 1937.

There are two important factors working for strength in these issues. In the first place, and of immediate import, it is expected that a substantial interest payment may be authorized in the near future. In the second place, it is generally expected that if the Circuit Court decision necessitates any changes in provisions of the reorganization plan, the General Mortgage bonds will get more favorable treatment. A larger allocation of new fixed interest bearing bonds would more than compensate for further reorganization delays, particularly if there were evidence that holders might expect some income return in the interim.

It is expected that the application for authority to pay some interest on the bonds will be filed this month, and considering the high level of current and prospective earnings, and the large amount of cash on hand, court authority seems likely. There has been some talk that the request would be for payments based on treatment proposed in the ICC reorganization plan, covering the three years from Jan. 1, 1939, the effective date of the plan.

This hardly seems likely in view of the uncertainties over the status of the plan at this time. Rather, it seems to us that any payments authorized will be on the basis of the actual interest rate on the old bonds, covering a period of perhaps two years. Up to the proposed effective date of the ICC reorganization plan there are five and one-third semi-annual coupons in default on these General Mortgage bonds.

Exclusive of bonds pledged with the RFC, there are $137,788,000 of the General Mortgage bonds, outstanding in five series with coupons ranging from 3½% to 4¾%. Payment of two years' interest on these publicly held bonds would involve a cash outlay of less than $12,000,000. As of the end of last October the company's cash balance was almost three times this amount and will be further bolstered in the coming year. There was a rise of $19,000,000 in cash in the 12 months ended Oct. 31, 1941, and operations this year are expected to hold at least close to those of last year when, it is estimated, old fixed charges were earned about twice. Obviously, maintenance of such a substantial cash balance is not necessary and participation by at least senior bondholders in this prosperity is equitable.

Hopes for eventual better treatment of the bonds in reorganization rest partly on the vast improvement in the company's finances since the plan was first promulgated, and partly on statements contained in the Circuit Court decision. The company has been able to pay off its bank loans in full, has reduced its RFC loans (further reductions are also possible) and should not require any new money as was provided originally. All of these obligations were represented by fixed interest debt in the reorganization, which would presumably be freed for distribution to General Mortgage bondholders without any increase in the debt proposed by the Commission in its report. This hope is bolstered by the statement of the Circuit Court that "There is, however, in our opinion, a serious question presented due to the small percentage of the First Mortgage bonds given to the holders of old General Mortgage bonds. Our suggestion is that if any revision should be made, this percentage might be increased. . ."

At best it seems likely that another two years will elapse before the St. Paul reorganization may be completed. The Circuit Court ruling will be appealed to the Supreme Court and a decision from that body will probably not come through until next Fall. If the Circuit Court is upheld, the whole proceedings will have to go back to the Commission. Even if the Circuit Court is reversed by the higher tribunal, it will not likely mark the end of litigation. The Circuit Court merely ruled that it had insufficient valuation data to determine if the plan is fair and equitable. A reversal by the Supreme Court would mean that the data are sufficient. The Circuit Court would then still have to determine if treatment of various creditor groups is fair and equitable.

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Warren Snow, J. McNamara Elected To Directors Bd.

James F. McNamara of New York, mill products sales manager of The International Nickel Company, and Warren H. Snow, president of E. H. Rollins & Sons Incorporated, New York, were elected to the board of directors of Lukens Steel Company at the annual stockholders' meeting held Jan. 13 at Coatesville, Pa., it was announced by Robert W. Wolcott, President of the company.

Over-Counter Review

Bristol & Willett, 115 Broadway, New York City, are issuing the current copy of their Over The-Counter Review, copies of which are available upon request.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34⅝, low—14¾, last—33⅛.

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Subscribed Capital £4,000,000
Paid-Up Capital £2,000,000
Reserve Fund £2,200,000
The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

Bank and Insurance Stocks

This Week — Bank Stocks

The December 31, 1941 statements of New York City banks reveal heavy expansion in earning assets for 1941, a halt in the long expansion of deposits, substantially lower excess reserves and moderately better earnings despite provision for higher taxes and other costs, including higher amortization in certain cases.

The expansion in earning assets yet small decline in deposits probably constitute the feature of the 1941 statements. On Oct. 22, 1941, earning assets reached a new high record of $12,356,000,000 and closed the year higher by $1,861,000,000 (18%). Of this expansion, Government securities contributed $1,126,000,000; other securities, $84,000,000; and loans, $651,000,000.

The year's expansion in commercial loans alone was $636,000,000 (35%), enabling total commercial loans to reach the highest point in about a decade. In fact "other loans" (all loans except security loans) stood at $3,258,000,000 Dec. 31, 1941, compared with $3,202,000,000 at the 1929 peak.

By contrast with this expansion in earning assets, gross deposits declined $49,000,000 (about ⅓ of 1%) for 1941, the decline in the fourth quarter alone being $420,000,000 (3%). In view of the fundamental that every bank purchase of a bond or extension of a loan, so long as it is not to another bank, creates deposits, a loss in deposits to other districts is indicated. This is confirmed by the closer correlation in expansion of earning assets and deposits for the member banks in 100 cities other than New York ($2,133,000,000 expansion in deposits against $2,542,000,000 upturn in earning assets).

Treasury country-wide spending of funds raised in New York; cessation of large-scale gold imports at New York; and the record increase in circulation are among the reasons for the small 1941 decline in New York deposits, which compares with deposit expansion of $2,600,000,000 in both 1940 and 1939 (20% in 1940 and 25% in 1939).

Since New York City banks have to pay the most in deposit insurance for the lowest insurance of deposits (FDIC assessments are on total deposits), the decline in deposits is not an unwelcome development, as the Treasury will undoubtedly see to it that New York banks are well supplied with excess reserves to support the Defense financing program. Normally, too, such a net outflow of funds from New York would entail higher money rates, but any important change in rates appears out of the question for the duration.

Although, therefore, New York excess reserves were down to $990,000,000 at the year-end (a decline of $2,475,000,000 compared to Dec. 31, 1940, of which the November, 1941 increase in legal reserves took about $500,000,000), it is probable that reserve requirements will be lowered during 1942 to provide additional reserves for the huge war financing program.

Considering the substantial upturn in earning assets, indicated earnings of New York City banks show a rather modest upturn for 1941. Against the upturn in volume, however, higher taxes, salaries and amortization operated to hold down the gain in net to small proportions. Nevertheless, the improvement in net was fairly general.

Of the 27 banks listed below, 22 show higher profits for the fourth quarter of 1941 compared to third quarter of 1941; 16 indicate higher profits for the fourth quarter of 1941 compared to fourth quarter of 1940; and 19 banks (plus one unchanged), show higher profits for full year 1941 compared to full year 1940.

	Indicated Earnings						
	Quarterly Net						
	4th Quar. 1941	3rd Quar. 1941	4thQuar. 1940	Full Year 1941	Full Year 1940	Book Value Dec. 31, '41	Annual Div. Rate
Bankers Trust	$0.85	$0.66	$0.89	$3.12	$2.95	$44.48	$2.00
Bank of N. Y.	6.13	4.48	6.34	20.05	17.61	341.85	14.00
Bk. of Manhattan	0.36	0.26	0.35	1.18	1.09	23.73	*0.90
Brooklyn Trust	1.63	1.05	1.58	5.04	5.09	173.40	4.00
Central Hanover	2.51	1.29	2.48	6.31	6.25	93.84	4.00
Chase National	0.69	0.44	0.65	1.96	1.83	32.56	1.40
Chemical	0.73	0.58	0.58	2.43	2.38	39.58	1.80
Commercial Natl.	3.56	2.98	3.20	12.96	11.17	229.92	8.00
Continental	0.23	0.25	0.25	1.01	1.00	21.44	0.80
Corn Exchange	0.83	0.75	†0.37	2.99	4.72	47.28	2.40
Empire Trust	1.14	1.12	0.99	4.55	†11.37	88.02	3.00
Fifth Ave. Bank	22.60	12.89	23.85	59.45	81.05	976.95	24.00
First National	30.00	19.29	32.93	100.58	102.41	1,102.78	80.00
Fulton Trust	3.34	2.20	3.76	10.99	12.26	245.69	*8.50
Grace National	2.16	7.98	1.44	15.11	9.16	256.76	6.00
Guaranty Trust	4.21	3.86	4.28	14.80	14.49	310.52	12.00
Irving Trust	0.19	0.17	0.20	0.70	0.70	20.84	0.60
Kings County Trust	12.84	32.74	12.03	108.73	108.11	1,449.08	80.00
Lawyers Trust	0.29	0.49	0.43	2.08	1.78	50.19	1.40
Manufacturers (a)	1.25	0.23	1.01	2.60	2.82	37.51	2.00
National City (b)	2.16	0.57	1.97	3.55	3.12	32.05	1.00
New York Trust	1.46	1.30	1.25	5.36	5.11	81.77	3.50
Public National	0.71	0.92	0.78	3.29	3.03	45.15	*2.00
Sterling National	4.24	0.21	1.79	4.99	2.45	66.94	----
Title Guar. & Trust	†0.29	0.20	0.11	†0.74	†1.95	14.34	----
Underwriters Trust	1.91	0.18	6.89	7.92	17.22	205.23	4.00
U. S. Trust	23.23	15.29	25.35	72.11	71.63	1,545.15	*70.00

*Including extra. †Deficit. (a) Operating earnings, officially reported. (b) Including City Bank Farmers Trust Co.

The improvement in net was also held down by decline in average return on earning assets where average maturities of portfolio securities were shortened. This also operated to increase the amortization charge against earnings, as the pace of amortization of premium on a 5-year maturity is obviously twice as quick as that on a 10-year maturity.

From a stockholder point of view, the most important question for 1942 is: will dividends be maintained? Based on the above indicated earnings, a group of 16 leading banks earned $89,000,000 for 1941, compared to current dividend rates aggregating $62,000,000, or 70% of earnings.

This is a fairly good coverage, but whether it will be maintained in 1942 depends on (1) The extent of the increase in costs, particularly taxes; (2) the yields placed on new issues of Government securities, which will be the principal determinant of sustained gross; and (3) the conservatism of individual boards of directors in deciding whether or not to reduce dividends if the ratio of "ploughed back" earnings declines below the desired point.

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HEAD OFFICE—Edinburgh
General Manager
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3 Bishopsgate, London, England
Capital (fully paid) ______ £3,780,192
Reserve fund ___________ £4,125,965
Deposits _____________ £69,921,933
Associated Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital ________ £8,780,000
Reserve Fund __________ 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1941 __________ £150,939,354
SIR ALFRED DAVIDSON, K.B.E., General Manager
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The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors traders and travellers interested in these countries.
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REPUBLIC OF CHILE

Notice to Holders of Dollar Bonds of the Republic of Chile, Mortgage Bank of Chile, Water Company of Valparaiso, City of Santiago, and Chilean Consolidated Municipal Loan

On and after February 1, 1942, in accordance with the provisions of Law No. 5580 of January 31, 1935 as regulated by Decree No. 1730 of May 17, 1938 and Decree No. 37 of January 4, 1936 of the Republic of Chile (which decrees are now consolidated into Decree No. 3837 of October 24, 1938) and decrees issued pursuant thereto, **holders of assented bonds of any of the above loans will be entitled to a payment at the rate of $15.58 per $1,000 bond against presentation and surrender for cancellation of the two stamped coupons corresponding to said payment as set forth in letter of transmittal.**

The above payment will be made only in respect of bonds and coupons which have been stamped with appropriate legends to indicate that they have assented to the provisions of the aforesaid Law and Decrees (hereinafter referred to as the "Plan").

In the case of bonds which have been so stamped on or after October 24, 1938, the presently announced payment will be made against presentation and surrender for cancellation of the two stamped coupons corresponding to said payment under the Plan and the bonds need not be presented.

In the case of bonds of the above issues which have not assented to the Plan, said payment will be made against presentation of the bonds with all unpaid coupons attached for stamping to evidence their assent to the Plan on or before December 31, 1942.

A more detailed notice concerning the presently announced payment will be furnished with form letters of transmittal.

Presentation of stamped coupons in order to receive the presently announced payment at the rate of $15.58 per $1,000 bond, and presentation of bonds with appurtenant coupons for stamping, should be made at the office of the correspondent of the undersigned in New York City, **Schroder Trust Company, Trust Department, 48 Wall Street, New York, N. Y.,** together with an appropriate letter of transmittal. Letters of transmittal, and in the case of dollar bonds of the City of Santiago and the Consolidated Municipal Loan copies of the Prospectus, may be obtained at the office of said correspondent.

When requesting letters of transmittal, kindly indicate whether the letter of transmittal is to be used in connection with the presentation for payment of coupons which have already been stamped, or in connection with the presentation of bonds and coupons which have not been so stamped. In the latter case, kindly indicate whether or not the letter of transmittal is to be used in tendering bonds of the City of Santiago or the Consolidated Municipal Loan.

CAJA AUTÓNOMA DE AMORTIZACIÓN DE LA DEUDA PÚBLICA
(Autonomous Institute for the Amortization of the Public Debt)

ALFONSO FERNÁNDEZ, *Manager*
ALBERTO CABERO, *President*

Santiago, Chile, January 15, 1942.

Seeger With G. W. John

Jacob Seeger, formerly with Newborg & Co., Bond & Mortgage Guarantee Co. and the State Mortgage Commission, is now associated with G. W. John & Co., Inc., 80 Broad Street, New York City, in the firm's real estate and mortgage department.

Sparrow In Boston

(Special to The Financial Chronicle)

BOSTON, MASS. — Frederick Sparrow has formed Frederick Sparrow & Co. to engage in a general securities business from offices at 82 Devonshire Street. In the past Mr. Sparrow was associated with Arthur Perry & Co.

REPUBLIC OF URUGUAY

(República Oriental del Uruguay)

NOTICE OF EXTENSION OF OFFER TO HOLDERS OF DOLLAR BONDS OF THE REPUBLIC OF URUGUAY:

Under date of September 1, 1937, the Republic made an Offer to holders of bonds of the issues listed below to exchange them for new Readjustment Bonds of the Republic.

In view of the large percentage of holders who have exchanged their securities for Readjustment Bonds under the Plan, and after consultation with the Foreign Bondholders Protective Council, Inc., the Republic has determined to extend the period for acceptance of the Offer. The Offer will remain open until such date as may be specified hereafter by public advertisement in this newspaper at least thirty days in advance of the final date for acceptance.

Holders of Dollar Bonds of the Republic of the issues listed below who have not heretofore accepted the Offer and who desire to do so should promptly deliver their bonds with all coupons maturing after November 1, 1937, together with form letters of transmittal, to the institutions and firms listed below:

EXTERNAL DEBT 5% GOLD BONDS OF 1915,
dated January 1, 1916,

to The Chase National Bank of the City of New York, Corporate Trust Division, 11 Broad Street, New York, N. Y.

TWENTY-FIVE YEAR EIGHT PER CENT. SINKING FUND EXTERNAL LOAN GOLD BONDS,
dated August 1, 1921, due August 1, 1946,

to The National City Bank of New York, Corporate Agency Department, 20 Exchange Place, New York, N. Y.

6% EXTERNAL SINKING FUND GOLD BONDS,
dated May 1, 1926, due May 1, 1960

and

6% EXTERNAL SINKING FUND GOLD BONDS, PUBLIC WORKS LOAN,
dated May 1, 1930, due May 1, 1964,

to Hallgarten & Co., 44 Wall Street, New York, N. Y., or to Halsey, Stuart & Co., Inc., 201 South La Salle Street, Chicago, Ill.

JUAN CARLOS BLANCO,
Ambassador of Uruguay to the United States

Dated, January 15, 1942.

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

NOTICE TO HOLDERS OF STOCK WARRANTS TO BEARER FOR ORDINARY STOCK.

NEW TALONS.

NOTICE IS HEREBY GIVEN that Talon No. 4 with the new sheet of coupons is now available for exchange for Talon No. 3. If the holders of Stock Warrants to Bearer will deposit Talon No. 3 at the company's office, *Westminster House, 7, Millbank, London, S.W.1.*, they will receive in exchange the new Talon (No. 4) with a supply of coupons attached. The directors will normally accept Talon No. 3 as prima facie evidence of ownership of the relative Stock Warrant but they reserve the right in any case, if they think fit, to call for the production of the relative Stock Warrant.

A declaration, in the prescribed form, as to non-enemy ownership must be lodged with Talon No. 3.

Listing forms which should accompany the Talons may be obtained from the company's office, 7, Millbank, London, S.W.1., or from the Guaranty Trust Company of New York, 140 Broadway, New York.

For the benefit of stockholders whose Talons are held in America a scheme has been devised whereby, if Talon No. 3 is deposited with the Guaranty Trust Company of New York at its office at 140 Broadway, New York, future dividends payable in respect of the Stock Warrant from which such Talon has been detached will (subject to Government regulations) be paid as and when they are declared, and the actual exchange of Talons will be postponed until after the cessation of hostilities thus avoiding the exceptional risks of loss in transit and heavy insurance expenses which would be entailed by the transhipment of the Talons under existing conditions.

All holders of Stock Warrants to Bearer in America who wish to avail themselves of this scheme are requested to communicate with the Guaranty Trust Company of New York, 140 Broadway, New York, who will furnish full particulars of the procedure to be adopted.

BY ORDER,
E. A. BLOCKLEY.
Secretary.

Rusham House,
Whitehall Lane,
Egham, Surrey.
31st December, 1941.

DIVIDEND NOTICES

At a meeting of the Directors held January 7, 1942, it was decided to recommend to stockholders at the annual meeting fixed to be held February 2, 1942, payment on February 12, 1942, of Final Dividend of Three Pence for each One Pound of Ordinary Stock free of British Income Tax upon the issued Ordinary Stock.

Net profits for the year after deducting all charges and expenses for management, etc., and providing for taxation are £4,087,564/12/7 as against £4,865,441/16/7 for the previous year. After paying Final Dividend amounting to £293,972/0/3 the carry forward will be £2,338,156/15/10.

Directors have decided to pay on February 12, 1942, Interim Dividend of Five Pence for each One Pound of Ordinary Stock for the current year on the issued Ordinary Stock of the Company free of British Income Tax.

Transfers received up to January 9, 1942, will be in time to enable transferees to receive dividends.

As regards Bearer Warrants the two above dividends will be paid together against the deposit of one coupon only namely No. 188.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED
January 7, 1942

Boston, Mass., Jan. 14, 1942

At a regular meeting of the Board of Directors of **The First Boston Corporation** held on January 14, 1942, a dividend of 30 cents per share was declared on the capital stock of the Corporation payable January 31, 1942 to stockholders of record as of the close of business on January 24, 1942.

JOHN C. MONTGOMERY,
Vice President & Treasurer.

HOMESTAKE MINING COMPANY
Dividend No. 819

The Board of Directors has declared dividend No. 819 of thirty-seven and one-half cents ($.37½) per share of $12.50 par value Capital Stock, payable January 26, 1942 to stockholders of record 3:00 o'clock P. M. January 20, 1942.

Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

R. A. CLARK, Secretary.

January 6, 1942.

L. S. & F. B. Wetzel With Bankers Bond & Securities

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Leland S. and Forest B. Wetzel, formerly officers of Wetzel Investment Co. of Clayton, Missouri, have become associated with Bankers Bond and Securities Co., 418 Olive Street.

Investment Trusts

The "average" investment trust decidedly outperformed the Dow Jones Industrial Average in 1941. Twenty-three out of twenty-five representative trusts bettered the record of the "Industrials" for the year.

While the Dow Jones Industrial Average declined from 131.13 at the close of 1940 to 110.96 at the close of 1941—a loss which, after crediting the "Average" with 5% dividends, amounted to 10.3% — the twenty-five trusts turned in performances ranging from a loss of only 0.1% to a loss of only 11.2%, adjusted for dividends, and an average for the group of 7.1%.

Some unthinking investors seem to feel that investment funds should turn in results as spectacular as that of the occasional speculation that happens to live up to its promise. Undoubtedly this notion was fostered by early sales claims of the trusts when investment companies were in their infancy in this country. Such results are not claimed by the sponsors today, and nothing could be farther from the truth.

A soundly diversified portfolio cannot produce spectacular profits. But neither is it subject to disastrous losses—to completely lose one of fifty equally represented issues means a loss of only 2% of the entire portfolio.

A diversified portfolio does assure "average" results—and only 1 out of every 3 individual stocks does as well. The buyer of one stock stands a 2 to 1 chance of doing worse than the average—and, conversely, has only 1 chance in 3 of doing better or even as well. The buyer of a diversified portfolio on the other hand is taking a sure thing—he is certain of doing approximately as well as the average.

When to diversified portfolio is added professional management, the buyer is entitled to expect results better than the average. Not spectacularly better, and not even *always* better, but results which at no time should be particularly worse, and over a period of years should be appreciably better than the usual average.

This, basically, is the position of the investment trust buyer. He is making a conservative investment in an expertly managed, diversified portfolio. He pays a small fee for the management and he expects results. Unless he misunderstands the diversification principle, he gets the results he expects, too. Look at the 1941 record again—only two of the twenty-five trusts were below the Dow Jones Average—one 0.2% below and the other 0.8% below.

Investment Company Briefs

"1941 was the third successive year of rising corporate earnings and dividends, and falling prices for their stocks.

"On Dec. 31, 1941, the Dow-Jones Industrial Common Stock Average was at the lowest year-end level in seven years. The Dow-Jones Utility Stock Average had its lowest year-end close in the 13 years it has been computed. (At the end of 1932, the Utility Average was 27.50 compared with 14.02 at the end of 1941.) The Dow-Jones Railroad Stock Average had its lowest year-end close in the entire 45 years in which it has been computed. (At the end of 1932, the Rail Average was 25.90 compared with 25.42 at the end of 1941.)" . . . from *Selections*, Selected Investments Company, sponsors of Selected American Shares, Inc.

On Medium Grade Bonds:

"In the first place, medium-grade bonds share in certain advantages common to bonds in general. Outstanding among these is the fact that interest is a corporate expense chargeable before income and excess profits taxes. The higher these taxes become—and war has virtually assured substantial increases—the greater the bond advantage. Although corporate income after such taxes may be reduced, income before taxes is in general likely to remain high or rise further during the war period." . . .

Henry J. Simonson, Jr.
President of National Securities and Research Corporation as quoted by the "New York Times", Jan. 2, 1942.

FUNDAMENTAL INVESTORS, INC.
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PLACE
JERSEY CITY
634 SO. SPRING ST.
LOS ANGELES

Mr. Simonson goes on to point out that while high-grade bonds are substantially at their all-time highs, medium grade bonds did not follow them to the peak—the high grades have drawn away from the medium grades in yield. On the other hand, he cautions that not just any bond is a good buy purely because it is classed as medium grade. Proper selection is as important as ever, if not more so.

The Board of Directors of Dividend Shares, Inc. has declared a quarterly dividend at the rate of two and two tenths cents ($.022) per share, payable Feb. 1, 1942 to stockholders of record on Jan. 15, 1942.

This dividend, which is derived entirely from net investment income received during the three months ended Jan. 15, 1942, is 10% larger than the payment on the same quarter of 1941 reflecting the materially greater year-end distributions on many stocks owned by Dividend Shares.

The current distribution is the thirty-eighth consecutive quarterly dividend to be paid since Dividend Shares was incorporated in 1932. Total dividends paid since incorporation—partly derived from net profits on securities sold—including this payment will exceed $18,000,000.

Investment Company Reports

New York Stocks, Inc. — Six Months Ending Nov. 30, 1941.

The net asset value of New York Stocks on Nov. 30 was $6,400,179. Net operating income for the six months exclusive of security profits and losses amounted to $205,424.38. Distributions totaled $182,072.72. Dividend payments for the period were increased over last year in fifteen of the twenty industrial series, one was unchanged and four showed decreases. The decreases were small in each instance, while several of the increases were substantial.. The greatest improvement, generally, was in the heavy industries groups.

Hugh W. Long, President, said in the accompanying letter to stockholders:

"The prospects of the various classes of American industry always differ. Today those differences are accentuated by scarcities, priorities, tax positions and all the problems arising from war and its demands. Some industries will prosper under war conditions—even after paying necessarily heavy taxes.

"In our opinion, stock prices at the time of this writing represent shock rather than reasoned judgment. Your management believes that investment in carefully selected equity securities of favorably situated industries should be maintained and plans to apply that belief in the operation of your Corporation's investments."

Eaton & Howard Balanced Fund —Dec. 31, 1941.

Net asset value of Eaton & Howard Balanced Fund on Dec. 31, 1941 was $15.57 per share compared with $317.44 per share on June 30, 1941, and $17.61 per share on Dec. 31, 1940. Shares outstanding increased from 185,066 at the beginning of the year to 222,805 at the year-end.

On Dec. 31, 1941, 6.5% of net assets was held in cash, 26.1% was invested in bonds, 27.7% in preferred stocks and 39.7% in common stocks.

Eaton & Howard Stock Fund—Dec. 31, 1941.

Net asset value of Eaton & Howard Stock Fund on Dec. 31, 1941, was $9.05 per share compared with $10.32 per share on June 30, 1941, and $10.68 per share on Dec. 31, 1940.

Lehman Corporation — Dec. 31, 1941.

Net asset value of approximately $26.74 per share on the 1,988,277 shares of stock outstanding in the hands of the public was disclosed today by the report of The Lehman Corporation for the half year ended Dec. 31, 1941. As of June 30, 1941, net asset value was $28.77. Robert Lehman, President, in his letter to stockholders, also reveals that the Corporation resumed the purchase of its own shares in the open market during the past quarter, having re-acquired 15,100 shares at an average price of approximately $19.72 per share.

Interest earned and dividends for the six months ended Dec. 31, 1941 amounted to $1,871,490, compared with $1,685,127 in the corresponding period of the previous year. After operating expenses of $241,156 and provision for Federal income tax of $30,000, net ordinary income amounted to $1,600,333, as compared with $1,377,250 in the comparable last half year. Net realized loss on investments for the 6 months amounted to $607,701. The net unrealized depreciation of the Corporation's assets on Dec. 31, 1941 was $11,298,053, as compared with $7,134,294 on June 30, 1941.

Ohio "Over-Counters"

William J. Mericka & Co., Inc. have prepared a booklet of quotations on Ohio over-the-counter securities as of Jan. 2, 1942. This booklet, listing approximately two thousand issues local to the State of Ohio, has been prepared by William J. Mericka & Co. since 1931 and is of particular value to trust officers, financial advisers and over-the-counter dealers for the purpose of obtaining year-end quotations. Copies may be had upon request through either the company's Cleveland office, Union Commerce Building, or the New York office, 29 Broadway.

Charles P. Nelson Joins D. E. Arries Co. Staff

TAMPA, FLA.—Mr. Charles P. Nelson, for the past year connected with The Natco Corporation, of Miami, is now associated with D. E. Arries & Company, 415 Tampa Street. Mr. Nelson, prior to his connections in Florida, was with F. L. Dabney & Company, of Boston, and before that was head of his own firm in Boston.

Municipal News & Notes

Undoubtedly we are all aware that the President's budget message of last week carried a recommendation that congressional legislation be enacted to eliminate the tax-exempt feature from future issues of State, municipal and authority obligations. This action came as no surprise to the municipal trade, since our Chief Executive's administration has demonstrated time and again that it was unalterably opposed to tax immunity for such securities and the Treasury has instituted direct action to bring about high court rulings on various authority bonds. The powers-that-be seem to be quite intent upon removing from future flotations the distinguishing characteristic that has long made the municipal bond business a distinct and separate phase of investment banking.

Informed holders of municipal bonds have taken the President's proposal in stride. If the proposal goes through a scarcity value will be attached to tax-exempt bonds now outstanding. This has been evidenced in the tendency towards higher prices in the last several days. If the suggestion to remove the tax-exempt status were extended to issues now outstanding this would be another matter, but the President specified as a "matter of equity" he recommended legislation on future issues. Further assurance for present holders is in the Secretary of the Treasury's consistent pledge that the Treasury will not tax outstanding issues.

Municipalities, however, may not take such a calm view of the outlook as the present investor. It is evident that financing without the tax-exempt privilege will cost more and that municipalities will not be able to rely on this feature to add to the salability of their bonds. While municipalities are expected to try to "beat the gun" and carry out any possible financing before the tax-immunity is discontinued a reasonable view is that any legislation will set an effective date far enough ahead to allow municipalities to adjust their financing plans. Furthermore it can be assumed that the legislation will not be passed for several months after hearings are started.

The municipal investment business appears to face several readjustments, but the immediate outlook is for more intense activity. The supply of tax-exempt obligations would not be exhausted for some time, although it would be diminishing as maturities are replaced with taxable issues. The trading market would be dealing with two types of obligations—the old tax-free issues and the new taxable issues.

If the tax-immunity is removed, municipal obligations eventually will have to compete with other types of bonds on their intrinsic merits. In that event the municipalities may require the machinery of investment banking in even a stronger degree than today.

State Defense Conference Prepares For Fight

In a statement by Austin J. Tobin, Secretary of the Conference on State Defense, it was indicated that finance officers of State and local units in all parts of the country are alert to the situation and are confident Congress will continue to protect them against Federal attempts to seize control of State and municipal financing on the "flimsy pretext of the national emergency.'

The Conference reports that recent checks made by local finance officers on their representatives in Congress showed congressional opposition still strong. It was recalled that the Senate defeated the administration proposal by a large majority a year ago, and that the House Ways and Means Committee has never reported on the proposal.

A Treasury proposal to tax only future issues on the basis of revenue was described by the Conference as a "patent farce," since no substantial revenue can be obtained in this manner for many years to come.

Plans already have been formulated, according to the statement for opposition to the administration proposal by the United States Conference of Mayors, the Municipal Finance Officers' Association, the State and Municipal League, the American Association of Attorney Generals and all similar State organizations.

Municipalities Improve Debt Stand, Budgeting In 1941

City finance officials, facing shortages and substitution of materials, impaired staffs and rising wage levels for 1942, left behind them a 1941 record of municipal debt reductions and some developments for improved budgeting and planning, a review by the Municipal Finance Officers Association showed on Tuesday.

Purchasing and salary problems will be intensified in 1942, the Association said, with new budget difficulties bound to occur as large appropriations are requested for civilian defense.

As municipal bond prices reached an all-time high last year, many cities—especially those with callable bonds—rearranged their debt structures to take advantage of lower interest rates. The cities were able to find markets for their bonds in 1941 by paying as little as 1.90% interest.

Pennsylvania cities were brought under a new local government borrowing act embodying most of the features considered desirable by municipal bond authorities.

A number of large cities, including Minneapolis, Hartford and Kansas City, improved or completely overhauled their accounting systems, and smaller cities in Michigan and Wisconsin undertook similar action. Louisville, Portland, Ore., and Rayne, La., were among cities adopting procedures making for uniform accounting practices throughout the various municipal departments.

New laws improving budget safeguards for local governments were adopted in Massachusetts, Oregon and Washington in 1941, while in several other States the scope of budgets was widened to include utilities and special funds formerly omitted.

Two States — Washington and New York—passed laws permitting cities to build up cash reserves or "nest eggs" for permanent capital improvements to be made in the future. California and Oregon already had such laws.

Other highlights in municipal finance during 1941:

Scores of cities sought to make their annual financial reports conform to standards set up by the National Committee on Municipal Accounting, and the publication of easy-to-read summary reports for public consumption was extended.

At least 10 States, among them Texas, Illinois, Colorado and Florida, conducted some kind of in-service training program for municipal finance officers.

New retirement systems for municipal employes were created by Kalamazoo, Mich., Norfolk. Va., and San Jose, Calif. Various proposals were introduced in Congress to extend the scope of the Social Security Act to local government employes but none of the bills received serious consideration.

Legislation was enacted in Indiana, North Carolina, South Dakota, West Virginia and several other States giving municipalities a larger share of State-collected revenues.

Tax Collections In 1942 Will Reach Record

With 1941 setting records in Federal, State and local taxation, the outlook for 1942 points to further new highs in tax collections, Fred A. Eldean, Executive Director of the Tax Foundation, states in a year-end review and forecast.

"While Federal tax collections for the fiscal year ending June, 1942, are expected to exceed $12.6 billions, expenditures for the same period will approach $25,000,000,000, of which approximately $18,000,000,000 will be allocated for war purposes," he states.

"During the year State tax collections reached the highest level yet recorded. Total collections were 7% higher than in 1940, with income taxes up 17%, sales taxes up 9%, and unemployment taxes up 4%. The total collected was in excess of $4.4 billions, Tax Foundation research experts estimate.

"Local governments also enjoyed their highest tax collections since 1930, receiving a total tax revenue estimate at $5,000,000,000. Substantial reduction in taxes by municipalities, counties and other local units should be possible in 1942, for most of them have ended the current year with a surplus.

"During the 1942 fiscal year, unless tax rates are revised downward, State tax revenue is expected to swell to about $4,600,000,000, while local governments will receive approximately $5,200,000,000. Total Federal, State and local expenditures during the fiscal year are estimated by the Tax Foundation at $35,000,000,000, or 36.8% of the national income. Total tax revenues for the three units are expected to reach $22,400,000,000, or 23.5% of the national income."

Trust Funds May Buy Defense Bonds

The Federal Reserve Board announced Monday a decision by the Treasury that common trust funds may be invested in United States defense savings bonds of Series F or G if authorized under the laws of the State where the national bank or other financial institution maintaining the fund is located.

The Federal Reserve Board has decided that the most appropriate basis for valuing United States savings bonds of Series G held in trust funds would be the redemption value at the time of valuation.

Arkansas Road Debt Fund Revenues Deemed Ample

Governor Homer M. Adkins of Arkansas reports that his State is in a stronger financial position than ever before, in spite of tire rationing and the threatened reduction in the use of automobiles and the consumption of gasoline.

"The phenomenal increase in number of motor vehicles of all classifications which have been brought in or purchased within the State by reason of the location of army cantonments, airports, other Governmental agencies, and National Defense industrial plants," he continues, "in my opinion will tend to offset reduction of taxes due to tire rationing, etc. It is my considered opinion that Arkansas will not have to worry about meeting the principal and interest requirements on the new State Highway Refunding Bonds."

N. Y. City Announces Financing

Consequent upon the statement of Comptroller McGoldrick last week that New York City is seeking bids on $50,000,000 bonds, the larger banking and investment houses have been concentrating on suitable tenders. Mr. McGoldrick also reported that this will be the Empire City's last major bond financing "for

Business Established 1818

BROWN BROTHERS HARRIMAN & CO.
PRIVATE BANKERS

NEW YORK BOSTON PHILADELPHIA

Statement of Condition, December 31, 1941

ASSETS

Cash on Hand and Due from Banks		$ 41,291,082.67
United States Government Securities *Valued at Cost or Market whichever Lower*		51,535,931.61
Call Loans and Acceptances of Other Banks		8,566,788.59
Securities Called or Maturing Within 1 Year *Valued at Cost or Market whichever Lower*		3,651,257.74
Loans and Advances		30,113,560.48
Marketable Bonds and Stocks *Valued at Cost or Market whichever Lower*		13,287,281.59
Customers' Liability on Acceptances		8,835,862.18
Other Assets		361,939.07
		$157,643,703.93

LIABILITIES

Deposits—Demand	$130,231,186.91	
Deposits—Time	3,490,937.31	$133,722,124.22
Acceptances	$ 9,782,057.47	
Less Own Acceptances Held in Portfolio	414,974.85	9,367,082.62
Accrued Interest, Expenses, etc.		102,866.66
Reserve for Contingencies		1,086,346.89
Capital	$ 2,000,000.00	
Surplus	11,365,283.54	13,365,283.54
		$157,643,703.93

PARTNERS

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Moreau D. Brown W. A. Harriman
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Complete Facilities for Domestic and Foreign Banking
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Thomas McCance
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Donald K. Walker
John C. West

Assistant Managers

Merritt T. Cooke
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Joseph R. Kenny
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Alfred B. Meacham
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Arthur K. Paddock
Arthur R. Rowe
L. Parks Shipley
Eugene W. Stetson, Jr.
Harry L. Wills

George E. Paul, *Comptroller* Arthur B. Smith, *Auditor*

Licensed as Private Bankers and subject to examination and regulation by the Superintendent of Banks of the State of New York and by the Department of Banking of the Commonwealth of Pennsylvania. Subject to supervision and examination by the Commissioner of Banks of the Commonwealth of Massachusetts.

FLORIDA

FLORIDA MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

NEW JERSEY

New Jersey Municipal Bonds

J. S. Rippel & Co.
Established 1891

18 Clinton St., Newark, N. J.
MArket 3-3430
New York Phone—REctor 2-4383

This appears as a matter of record only and is under no circumstances to be construed as an offering of these shares for sale or as an offer to buy, or as a solicitation of an offer to buy, any such shares. The offering is made only by the Prospectus.

336,088 Shares*

The Connecticut Light and Power Company

Cumulative Preferred Stock, Without Par Value
(stated value $50 a share)

*136,088 Shares $2.40 Cumulative Preferred Stock, without par value (Maximum number to be offered to holders of 5½% Preferred Stock on the basis of 2 shares of such $2.40 Preferred Stock for 1 share of 5½% Preferred Stock.)

*336,088 Shares $2.20 Cumulative Preferred Stock, without par value (Maximum number to be sold for cash if no 5½% Preferred Stock is exchanged for $2.40 Preferred shares.)

To be subordinate to unexchanged 5½% Preferred Stock until March 1, 1942, when such unexchanged stock will be redeemed.

$2.20 Cumulative Preferred Stock, without par value

Price $52 per share

TO FACILITATE THE OFFERING, IT IS INTENDED TO STABILIZE THE PRICE OF THE $2.20 CUMULATIVE PREFERRED STOCK. THIS STATEMENT IS NOT AN ASSURANCE THAT THE PRICE OF THE ABOVE SECURITY WILL BE STABILIZED OR THAT THE STABILIZING, IF COMMENCED, MAY NOT BE DISCONTINUED AT ANY TIME.

Copies of the Prospectus dated January 13, 1942, describing these Shares and giving information regarding the Company may be obtained in any State from only such dealers participating in this issue as may legally offer these Shares under the securities laws of such State.

Putnam & Co. Chas. W. Scranton & Co. Estabrook & Co.

Drexel & Co. Smith, Barney & Co. Harriman Ripley & Co. Incorporated

Blyth & Co., Inc. Bonbright & Company The First Boston Corporation Kidder, Peabody & Co.

January 13, 1942.

the duration," but future circumstances may cause a revision of that statement.

The current offering will consist of $32,000,000 of serial bonds and $18,000,000 of assessment bonds, but details as to maturities, etc., have not yet been made known. The date of sale, also, has not been officially set, but Wall Street expects that bids will be considered about Jan. 20. Because of the size of this issue, the number of bids which will be submitted probably will be restricted to not more than two and possibly only one.

The two major syndicates which usually are the principal competitors for city issues, namely, those headed by the Chase National Bank and the National City Bank, respectively, have, in the past, consolidated on issues of $50,000,000 or more. It can be assumed, therefore, that they will join forces on this issue. In the sale of $55,000,000 of city bonds in December, 1940, the consolidated group met competition from a group including C. J. Devine & Co., Bank of the Manhattan Company and others, but whether such a group will be formed this time remains to be seen.

N. Y. City Transit Fare Hike Urged

The proposal put forth early this week by the Committee of Fifteen, that New York City's rapid transit system be put immediately on a self-supporting basis has genuine merit, although it will probably languish indefinitely in the files, as have so many of its predecessors. The Committee is a group headed by Paul Windels, former Corporation Counsel, and composed of representatives of business, industrial, civic and social organizations. It has made a thorough study of rapid transit in a number of cities and it points out that New York and Newark are the only two with five cent fares.

For the most part the recommendation, if adopted, would increase the fare from 5 to 7½ cents, since two tickets or tokens would be sold for 15 cents. In the case of a person who did not want to buy two rides the fare would be 10 cents.

The Committee estimated that the higher fare would yield $45,000,000 annually in new revenue, enough to wipe out the annual deficit of $30,000,000 and provide $8,000,000 for additional maintenance as well as $7,000,000 for a rehabilitation fund which could be used to renovate stations and replace old rolling stock with modern and more economical light-weight cars.

The additional funds from a higher fare, according to the Committee, which also sent copies of its letter to members of the Board of Transportation, would mean a reduction in the real estate tax of 20 points.

City To Save On Housing Projects Financing

New York City, according to an announcement Monday by USHA officials, has made an arrangement whereby much interest money will be saved in connection with financing construction of the $3,200,000 in housing projects now being erected around the metropolis.

Instead of borrowing needed funds from the Housing Authority at rates ranging approximately 2 to 3½%, the city has arranged, it was stated, to obtain the money from private banking institutions at an estimated ½ of 1%. The plan has been used by the city in previous refunding operations.

Detroit Bond Offering Projected

In addition to the New York offering, other new financing plans were accelerated by the new tax threat. The City of Detroit intends to offer for sale in the near future a total of $28,994,500 non-callable serial bonds, maturing from 1943 to 1963, with an average life of 14.9 years. The proceeds will be used to redeem outstanding bonds of an equal amount, which carry an average interest rate of Approximately 4.25%. This refunding, when completed, will end all need for such operations by the city for years to come, with the exception of $4,900,000 in callable bonds, not eligible for refunding under State law at this time. This sale had been tentatively scheduled for the end of January but the City Council on Tuesday failed to approve this offering date.

This practical cleanup of the city's callable bonds should be a definitely constructive factor in the success of the current refunding, as it frees the market of the threat of any immediate increase in the supply of Detroit bonds.

USHA Schedules Note Sales

The United States Housing Authority announced from Washington on Monday that over $84,000,000 of temporary-loan notes will be offered for sale by 28 local housing authorities. Bids for 18 of these loans will be opened on Jan. 20, and for the other issues will be considered on Jan. 27.

The maturities of the various issues range from five to 12 months. They are non-callable, exempt from all Federal taxation and from taxation in most States.

The largest issues to be sold on Jan. 20 include $18,000,000 by Detroit, $11,400,000 by Chicago, $8,500,000 by San Francisco, $5,500,000 by Jersey City, N. J., and $3,200,000 by New York City. On Jan. 27 the sales include $10,000,000 of Los Angeles; $5,500,000, Los Angeles County and $3,120,000 of Denver, Col.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Jan. 15th (Today)

$4,250,000 Birmingham, Ala.
Last March this city awarded bonds to a syndicate headed by Blyth & Co., Inc., of New York. Second highest bid was entered by Blair & Co., Inc., of New York, and associates.

Jan. 16th

$1,250,000 Hempstead, N. Y. (Un. Free S. D. No. 16)
A year ago, this district awarded a small issue to Halsey, Stuart & Co., Inc. of New York. Roosevelt & Weigold of New York, was the runner-up.

$1,700,000 Syracuse, N. Y.
In January, 1941, a syndicate headed by the Chemical Bank & Trust Co. of New York, obtained the award of bonds offered at that time, beating out Kidder, Peabody & Co. of New York, and associates.

Jan. 20th

$50,000,000 New York, N. Y.
The city awarded an issue last March to a syndicate headed by the National City Bank of New York. Next highest bid submitted by the Chase National Bank of New York, and associates. For further details on previous financing, refer to article given above.

Jan. 26th

$750,000 Alexandria, Va.
On Jan. 26, 1939, this city sold bonds to Estabrook & Co. of New York, and F. W. Craigie & Co. of Richmond, jointly. Second best offer was entered by Halsey, Stuart & Co., Inc.

Feb. 2nd

$920,000 Baltimore Co., Md.
This twelfth issue of Metropolitan District bonds follows the preceding issue awarded in April, 1941, to a syndicate headed by Shields & Co. of New York. Runner-up in the bidding was the Harris Trust & Savings Bank of Chicago, and associates.

Saxton Installs New Wire

For the convenience of Providence, Rhode Island, dealers, G. A. Saxton & Co., Inc., has established an Enterprise wire between Providence and its Boston office (10 Post Office Square) —Enterprise 7021.

Geo. Gallagher Joins Mutual Life Fin. Dept.

The Mutual Life Insurance Company of New York has announced the appointment of George B. Gallagher as a member of the staff of the Financial Department to assist in contact work with investment dealers regarding the offerings of securities and general market matters.

Mr. Gallagher has been active in many divisions of the investment field for the past 19 years, having first become associated with Brown Brothers & Co. in 1923. Since then, he has been engaged in the investment security business with a number of firms including Bancamerica-Blair Corp., the National City Company, Brown, Harriman, & Co., and Kidder Peabody & Co. With Brown, Harriman & Co., Mr. Gallagher was manager of the firm's bond trading department. Since 1938, he has been associated with the Union Securities Corp., serving this firm and its subsidiary, the Union Corp., in both New York and Philadelphia.

Roger Bourland has been appointed Director of Sales Promotion, effective immediately. Mr. Bourland has been with the company since 1936, and for the past year has been Home Office Supervisor of its Premium Budget Plan.

Real Estate Securities To Yield 10% And Better

Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City, members of the New York Security Dealers Association, have interesting recommendations and statistics available on sound New York City real estate securities, many of which are priced to yield 10% or better. Information and current recommendations will be sent upon request by Seligman, Lubetkin & Co. The firm has most complete files on over 3,000 real estate issues.

Phila. Traders Will Meet STANY Bowlers

Al Tryder (H. T. Greenwood & Co., Philadelphia) and Bill Conary (B. W. Pizzini & Co., New York City) announce that the bowlers of the Investment Traders Association of Philadelphia and of the Security Traders Association of New York will stage their first battle of the year on Wednesday, Feb. 11. The match will take place in New York and, as on previous occasions, each city will be represented by three five-man teams bowling total pins for three games.

The Philadelphia invasion will be largely by the same tank corps that worked such havoc with STANY last year.

New York will be represented by the 15 regular STANY bowlers having the highest season average up to the time of the match. This leaves only four regular sessions for the New York boys at the bottom to push up their averages into the top 15.

Further details of the match and the victory celebration following will be announced later.

Payment on Chilean Bonds

Holders of assented dollar bonds of the Republic of Chile, Mortgage Bank of Chile, Water Company of Valparaiso, City of Santiago, and Chilean Consolidated Municipal Loan are being notified by the Autonomous Institute for the Amortization of the Public Debt that they will be entitled to a payment at the rate of $15.58 per $1,000 bond against presentation and surrender for cancellation of the two stamped coupons corresponding to this payment.

Payment will be made on and after Feb. 1, 1942 at the office of Schroder Trust Co., trust department, 48 Wall Street, New York City.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

$2,000,000

Pittsburgh Steel Company

First Mortgage Bonds, Series B, 4½%, Due 1950

To be dated December 1, 1941 *To be due December 1, 1950*

Offering price 99% and accrued interest

■

Copies of the Prospectus may be obtained from the undersigned.

A. G. Becker & Co.
INCORPORATED

January 14, 1942.

Pittsburgh Banker Is Hopeful Of Post-War Era

After presenting an unusually encouraging statement of the conditions and progress of the First National Bank at Pittsburgh for the past year, President Frank F. Brooks expressed his personal belief that if, at the conclusion of the war, our tax program is so planned that new enterprises will be encouraged to start, inflation in post-war prices will be unnecessary. Mr. Brooks feels the curtailment of production and consumption during the war will offer a tremendous pent-up demand for a back-to-normal supply of the merchandise which has been restricted during the conflict.

"Further," says Mr. Brooks, "our plants will have been thoroughly modernized and brought up to date on the latest production methods, new industries are bound to come to the front out of our present search for substitute materials, and some of the war industries will be placed on a firmly established foundation.

"Other countries will necessarily look to us for innumerable products. The destruction of homes, buildings, ships, etc., will take years to replace and the United States, due to our modern manufacturing methods, is a natural seller of all of these products.

"For the duration of the war, the banking industry will devote its energies and resources to the task of protecting America in her hour of peril."

Mr. Brooks reports total earnings for 1941 of $1,466,071.17 or $24.43 per share which was used as follows: dividends of $8.00 a share were paid, $8.11 per share was used for various adjustments of carrying values, and $8.32 was added to the stockholders' equity in the Bank.

Survey Of Bank Earnings

An interesting tabulation of bank earnings for 1941 of leading New York banks has been prepared for distribution by Hoit, Rose & Troster, 74 Trinity Place, New York City. The survey compares earnings for 1941 and 1940 and contains a brief analysis of indicated profits as of Dec. 31, 1941. Copies of the survey may be obtained from Hoit, Rose & Troster upon request.

Over-The-Counter Dealers Must Unite

(Continued from First Page)

the simple reason that the man could instantly understand a list of quotations which set a price on the shares of each individual corporation.

It is indeed heartening to see such wide-spread interest in this problem because we can now rest assured that sooner or later a solution will be found. It is our sincere hope that the unlisted securities dealers will unite in an aggressive business-getting effort, because we sincerely feel that the purpose of the auction markets has been served and that they no longer fill any need in the American economic scheme.

May we offer our congratulations on your timely entrance into his particular problem.—*Kulleck, Wheeler & Co. By Jack Wheeler (Kansas City).*

Ever since the question of commissions became of such importance due to a declining volume of business, it has been my "bone of contention" that the approach to the matter was along the wrong road. It is my personal feeling that commission rates could and should be based on a percentage of dollars involved rather than on a per share basis. In other words, what is wrong with charging commissions on securities on the same basis that commissions are charged on real estate?

Following this trend of thought, I certainly feel that commission rates on listed securities should be on a different basis than commission rates on unlisted securities. The commission rates on listed securities could be uniform whether buying or selling. On unlisted securities they could be fixed at one rate on the sale of securities and on a different rate, presumably a higher rate, on the purchase of securities. When referring to the sale and purchase of securities, I refer to the sale for a customer and the purchase for a customer rather than the sale to or the purchase from.

Following this trend of thought still further, and particularly as it relates to unlisted securities, I would then suggest that all published quotations be "actual" markets rather than "spread" markets. I believe that the closer bid and ask would have a tendency to encourage individuals to look upon this class of security with a greater degree of favor, and it would certainly tend to put brokers, dealers, etc. all in the same category and eliminate the constant feud of a commission broker quoting a market that is detrimental to a dealer in the same security.—*Anonymous (Cleveland)*

For a long while I have been conscious that the "Over-the-Counter dealers must unite," if they are to continue in business or to give the type of service expected of them. Consequently, I feel that your editorial of Dec. 18 last, on that subject and subsequent comment by your readers, is very timely.

Recently a local newspaper carrying NASD quotations quoted B & O Secured 4% Notes, due Aug. 1, 1944, at 68⅛ bid-69⅛ asked. At the time that quotation appeared we had to pay 70 for the bonds. To meet the paper quotation we would have had to lose $8.75 per bond. It not infrequently occurs that these local quotations show an offering price less than our actual cost on several issues on the same day, which only adds to the multitudinous difficulties encountered by the Over-the-Counter dealer in his quest for business.

The firm that I am associated with is headed by a recognized statistician who has had more than 20 years of training and experience in that department of the business. He has surrounded himself with a group of men, carefully trained, who have had many years of experience in the selection and distribution of sound securities. An issue is never offered by this house until it has had a thorough statistical survey and has been discussed freely in a meeting, where each man may fully express himself. As a consequence of such painstaking care, this organization has not had a single recommendation of the house default, either principal or interest. Should it not appear to the regulatory authorities that this is the type of service to be encouraged and promoted by dealers? If the answer is yes, then they must permit reasonable profits to compensate the dealer organizations who render such services and encourage them to continue to do so.

The list of securities that have our recommendation are checked daily in the various service bulletins to obtain any information that would have a bearing on their present status and future outlook. In addition to that we make two periodic surveys, annually, of each issue belonging to each client, that was acquired on our recommendation. The survey involves days of work in its preparation and compilation and then each sales representative personally contacts each one of his clients and conveys to them the available data, in the survey, that is applicable to each one of their holdings. This in our opinion is a very valuable service, as it is also in the opinion of our customers, they look for it but it consumes a tremendous amount of time, is costly to prepare and render and could not be carried on if our profits continue to be curtailed.

In the state in which we do the greater part of our business two personal property tax returns must be filed annually. Our clients depend upon us to prepare them, therefore prices of all their bonds and stocks must be procured, the taxable and non-taxable issues must be determined and set up on the proper forms and forms must also be prepared by which tax refunds are claimed on certain issues.

We are very proud of our record. We of course desire to continue to render the services to which our clients are accustomed and which are largely responsible for our good record. The house, however, has its operating expenses to meet and must pay its representatives at least a living rate of compensation which is minimized by the amount of time consumed in servicing our accounts. Certainly the service cannot be broadened or improved, even continued if we must suffer a continued diminution of profits. It would therefore appear to me to be in the interest of the investors and should be the aim of the regulatory authorities to encourage rather than discourage conscientious retail organizations to maintain and improve their services, by permitting a fair and sufficient margin of profit to enable them to do so.—*W. H. Fleischman (Philadelphia).*

One of my associates has written the attached (above) letter on the subject of the editorial in your Dec. 18 issue, "Over-the-Counter Dealers Must Unite." He appears to have developed some thoughts on the subject that have not been introduced by others who have contributed comment on your article.

The letter interested me very much, so much so that I decided to write this accompanying letter to state that I fully concur with Mr. Fleischman's statements and views upon the subject and have encouraged him to forward them to you.—*George A. Bailey.*

Your very interesting editorial entitled "Over-the-Counter" Dealers Must Unite" should be vitally important to everyone in the securities business. The views expressed in the many letters that have come into you are most interesting. There is, however, one important phase of the problem of small spreads that I believe has been greatly ignored and that is the unfair competition that has existed between member firms and non-member firms as regards acting as agents and principals in the purchase of and the sale of unlisted securities.

There are many member firms, particularly those who do not maintain trading departments, who buy and sell unlisted securities for their clients and act as agents, charging the regular Stock Exchange commission. These firms often execute their orders at wholesales prices and pay little, if any, attention to newspaper prices. It seems unfair, for example, that an investor, because he is a client of a firm who acts as agent should have the privilege of having his order executed at a wholesale price when a client of a firm who is acting as a principal pays a net or retail price.

This writer recently heard of a case where a client of an Over-the-Counter firm bought an unlisted stock at the newspaper price and later stepped into the office of another firm and learned that he could have bought the same stock at the wholesale price plus the Stock Exchange commission. He immediately got "sore" and refused to do any more business with the Over-the-Counter firm. This has happened in many instances. Is it not, therefore, reasonable and sensible that all member firms and non-member firms should unite and put an end to this unfair practice? Why, for instance, should a client be entitled to buy at a wholesale price anyhow? Is there any answer to it?

Certain firms are only interested in acting as agents for their clients and as soon as an order is executed they are through and do not have any further interest in that particular security. The interest of the Over-the-Counter firm, who is acting as principal in the transaction, is vastly different for he may have a position in the stock upon which he desires to make a reasonable profit and must maintain a retail price to his clients. Is it not possible for Over-the-Counter dealers to have list prices such as is done among automobile dealers and department stores?

This unfair situation has existed for many years and has undoubtedly always had a bad effect as regards the Over-the-Counter market in this writer's opinion.

If all security dealers, member and non-member alike, could unite and work out a plan whereby this unfair practice could be put to an end and their clients could only buy and sell at retail prices, "spreads" could not only be made larger, the margin of profit for the dealer increased but it would considerably help dealers to keep the confidence and business of their customers.—*Anonymous (New York City).*

We have been reading with vast interest the various letters of other dealers in your article headed "Over-the-Counter Dealers Must Unite."

Evidently one big thing has been overlooked, and it is rather amusing to see the dealers in N. Y. howling while at the same time they choke their own business at the source.

Here's an example of our experience which has made us more than reluctant to sell Insurance stocks:

After the usual amount of work and expense we are about to clinch a sale of 100 shares Camden Fire at 22¼ which is the asked price published in the N. Y. "Times" of that particular day. We know that we will have to pay about 21¾ for it but are willing to work for $50 gross profit.

However, the client wants a bit of outside advice before he confirms the order and he calls his banker. Bank will not say anything definite in the way of advice but does check the market through a local stock exchange house who has a wire to N. Y. Market comes back to the bank—21⅜-21¾. Result: Exchange house now has order to buy 100 at 21¾ plus regular commission, or client is now sus-

This announcement is under no circumstances to be construed as an offer of these securities for sale or as a solicitation of an offer to buy any of such securities. The offering is made only by the offering prospectus which, however, does not constitute an offer by any underwriter to sell securities in any state to any person to whom it is unlawful for such underwriter to make such offer in such state.

New Issue

January 13, 1942

$15,000,000

Union Oil Company of California

3% Debentures, due January 1, 1967

Price 99½%

plus accrued interest from January 1, 1942 to the date of delivery

Copies of the offering prospectus may be obtained from the undersigned (one of the underwriters named in such prospectus) only by persons to whom the undersigned may legally offer these securities under applicable securities laws.

Dillon, Read & Co.

Our Reporter's Report

(Continued from First Page)

perfection for purchase by one, or two, or a group of the wealthier firms.

As one observer pointed out, some $45,000,000 of the outstanding securities which are to be retired, are in the hands of the larger insurance companies.

With the proper approach, it is contended, an underwriting house well-supplied with capital, which could line up the insurance companies involved through their holdings of the old issues, might handle the business readily enough.

If the pledge of the institutional holders of the outstanding bonds could be obtained to take up similar amounts of the projected issue, there would remain a balance of $35,000,000, or substantially less than half the total business to be marketed, not an over-burdensome task in the eyes of students of the market.

Slight Disappointment

The seven to nine-year 2% bond offered by the Treasury for conversion of $1,075,000,000 of outstanding securities, of its own and several governmental agencies, was not fully up to expectations, it appeared today.

The banks, it seems, which are substantial holders of the obligations being retired, were in numerous instances none-too-keen for the bonds. They had more or less expected that Secretary Morgenthau would provide at least a portion of new notes.

In consequence there was considerable feeling around in the market on Monday and Tuesday in an effort to dispose of maturing issues. This resulted in no little arbitrating on the part of dealers who sold old issues, taken from institutions, against purchases of the new bonds.

First Issue of Year

The first new corporate issue of the year, Union Oil Company of California's $15,000,000 of 25-year 3s, brought to market on Tuesday, was accorded a heartening reception.

Considering the fact that it was a straight "new money" undertaking, the manner in which it was received proved cheering to the trade.

There was absolutely no expectation of an "out-the-window" performance here for a number of reasons. Those interested recognized it as a working proposition.

A West Coast undertaking, the U. S.-Japanese conflict in the Pacific naturally was an influence to be overcome. But priced at 99½ to yield slightly better than 3% the issue carried considerable appeal.

Spur to Municipalities

President Roosevelt's proposal that Congress act to make all State and municipal securities issued in the future, subject to Federal taxation was expected to spur the flow of such financing for the near future.

The sudden decision of the City of New York to call for bids for an issue of $50,000,000 in long-term bonds, announced by Comptroller Joseph D. McGoldrick was accepted as a straw-in-the-wind.

While not so stated, it was assumed that the city fathers were anxious to get to market before any such legislation was passed.

The proposed financing will consist of $32,000,000 of serials and $18,000,000 of assessment bonds, and will not add to the current debt since it is designed to fund temporary loans arranged for undertakings already underway.

Schenley Distillers Next

The $27,500,000 undertaking by the Schenley Distillers Corporation, now in registration with the Securities and Exchange Commission, looms as the next issue likely to reach the public offering stage.

Consisting of $10,000,000 of ten-year sinking fund debentures, and $17,500,000 of fifteen-year debentures also carrying sinking fund, it was expected that the business would come on the market some time next week.

Proceeds of the financing will be applied to retirement of the company's banking indebtedness which on Aug. 31 last, aggregated $24,000,000.

JOTTINGS

(Continued from page 204)

istration's chief preoccupations since May 1940 has been that it keep hold of all ultimate authority in defense decisions.

In his Message on the State of the Union, for his arms program, the President apparently took the existing top goals, raised them each a little higher, used that figure for 1942 (thus advancing the date of achievement), and then lifted them substantially again for 1943.

For instance the aircraft goal had been 50,000 planes. The 1941 output was 20,000. So the President said 60,000 for 1942. The tank goal had been 36,000; the President set it at 45,000 for 1942. The merchant shipbuilding goal had been 6,500,000 deadweight tons each for 1942 and 1943. The President lifted it to 8,000,000 for 1942 and 10,000,000 for 1943.

It was excellent propaganda, but obviously had more relation to American than to Axis capacity—as it should have had.

And it probably can be done. As the machine-tool people have been saying, "Funny, you never know what you can do till you try."

Incidentally, it represents only a surprisingly small proportion of the dollar budget totals. If you figure planes at $100,000 apiece, tanks at $25,000, anti-aircraft guns at $10,000 and merchant ships at $200 a deadweight ton, it runs to only about $9 billions for 1942 and $17 billions for 1943, or about a third of the budgeted outlays (adjusting crudely for the difference between calendar and fiscal years). The other two-thirds will presumably go for food, clothing, pay, transportation, and the numerous other essentials, including powder and shell, anti-tank and machine guns, etc.

Most of the increase will have to come through longer plant operation and through conversions. For a new tank or airplane plant it is like a baby—it takes about nine months to bring it to life.

One accelerator to the program which will be of great help but get very little publicity will be through research and invention. Even five years ago the country was spending about $300,000,000 a year for 70,000 employees in 2200 laboratories. The airplane manufacturers were particularly research-minded. These figures are now being vastly expanded and the results are being pooled as never before. They may be as important as, for instance, the methods by which Britain has countered German submarines and night bombings. Particularly revolutionary will be changes in airplane design, in electrical apparatus, and in synthetic organic chemicals.

U. S. Treasury budget calculations must now allow for the growing curtailment of the civilian goods. Already customs revenue is shrinking as Government stock-piling accounts for an increasing proportion of imports. The budget-message showed that the Treasury expects to collect no more from "miscellaneous internal revenue" in the current six months than in the last. "Manufacturers' excise tax" revenues will be particularly hit with the decline in automobile, tire, etc., sales.

Obviously the Administration has given up hope of that goal of covering two-thirds of outlay with taxes. Even with the proposed new taxes, the 1943 budget would be only about 40% covered. But don't confuse the percentage of budget covered by taxes with the percentage of national income diverted to arms. They are entirely different.

Reasons for stock market bullishness: (1) London has been going up since Dunkirk. (2) The stock market can never go up when facing a major question mark but almost always goes up when the question is conclusively answered, no matter what the answer is. Pearl Harbor answered the major 1939-1941 question—"Will we enter the war?"

Miscellaneous . . . The public has apparently already begun to cut its buying. Physical volume of retail sales is little if anything above last year. And the buying retailers say, is shifting toward useful things and away from luxuries. The fur people, for instance, were hard hit . . . The melancholy fact that apparently only the Russians and Chinese seem currently able to cope with the Axis should not be ignored by designers of fancy post-war programs . . . There will be several tax laws this year, not just one . . . The Dutch have so far paid in cash—from rubber, tin, quinine, etc.—for all those Hudsons, Brewster Buffalos, etc., they are now using so well . . . The American merchant fleet on Oct. 1, 1941 had an average of 19.7 years . . . That puts our merchant shipbuilding program in the "It's about time" department.

Uruguay Extends Time for Exchange Dollar Bonds

Juan Carlos Blanco, Ambassador of Uruguay to the United States, is notifying holders of dollar bonds of the Republic of Uruguay that the Republic is extending the period for exchange of these bonds for new readjustment bonds. This offer will remain open until such date as may be hereafter announced.

Holders of external debt 5% gold bonds of 1915, dated Jan. 1, 1916 desiring to exchange their bonds should present them to The Chase National Bank of the City of New York, 11 Broad Street.

Holders of 25-year 8% sinking fund external loan gold bonds dated Aug. 1, 1921, due Aug. 1, 1946, should present their bonds to The National City Bank of New York, 20 Exchange Place.

Holders of 6% external sinking fund gold bonds, dated May 1, 1926, due May 1, 1960 and 6% external sinking fund gold bonds, public works loan, dated May 1, 1930, due May 1, 1964, should present their bonds to Hallgarten & Co., 44 Wall Street, New York or to Halsey, Stuart & Co., Inc., 201 South LaSalle Street, Chicago.

A. W. Lind To Be Partner

Albert W. Lind will become partner in Sterling, Grace & Co., members of the New York Stock Exchange, 50 Broad Street, New York City, as of Feb. 1.

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picious and peeved at us and no one gets an order. In either case we are out in the cold and our work has come to naught.

This is not an isolated case and it applies to all types of securities actively traded in the N. Y. unlisted market. We have no ready-made remedy on hand to suggest, but we believe that the NASD should begin to ponder over this angle.—*Anonymous (Hagerstown, Md.).*

F. H. PRINCE
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PROVIDENCE, RHODE ISLAND

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New Orleans Cotton Exchange
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GENEVA, SWITZERLAND

LAMBORN & CO.
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SUGAR
Exports—Imports—Futures

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 205)

You bought it at about 21. Last week it managed to approximate 25. I expect this one to react to about 22 or 22½ before it gets anywhere on the up side again.

* * *

Warner Brothers is another stock you have. This is certainly not a fast mover; however, it has been acting well. I would be tempted to hold this through a reaction, but even there a set back, to say 4, would not be surprising.

* * *

Another stock I advised purchasing last week was American Commercial Alcohol. The price was between 7½ to 8. It didn't get that low. I would not advise chasing it. If you didn't get it, wait for it. You may get it sooner than you think.

* * *

I'm sorry I can't be more optimistic, but that is the picture as I see it today. Perhaps by next week things may change for the better, but until they do, caution is the watchword.

* * *

J. W. Y., Martinsville, Va. Above market advice applies to your stocks as well. If you will write me again in say two weeks or so I may be able to give you specific suggestions regarding the two stocks you mention. I'm glad you like the column.

More next Thursday.

—Walter Whyte.

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

WHISPERINGS

It was one of those days when everything on the tape was active. Stock after stock appeared, hesitated for a short time, then advanced a point or so. Only one stock refused to follow the pack, Standard Brands. It came out frequently enough but every tick was at the same price. Finally **Walter Haggerty**, a trader from away back, apparently long of the stock, glumly observed: "Good old Standard Brands, never goes down, never goes up. A regular Rock of Gibralter."

Wellington (Duke) Hunter, Jr., of **Hunter & Company, New York,** has left the Street to shift for itself. He is now a full fledged leatherneck in Uncle Sam's Marine Corps. A line addressed to him at Paris Island will be appreciated.

With the United States getting into swing against the Nazis, the Japs and the Fascists, here are a few things you can expect to come out of a war economy: Sugar will be rationed and certain pharmaceuticals. . . . Even second-hand car buyers may have to get permission. And if you have a car you will probably have to put a governor on it so you can't go beyond a certain speed limit. . . . Goods that now come in cans will come in either glass or paper containers. . . . No more platinum in jewelry. . . . No more copper or brass for pipes, screens unless they're for defense industries. . . . You'll be able to get all the candy you want (sugar rationing is to reduce speculation not because of scarcity). . . . Tea and canned fish will be hard to get. . . . Silk will become as precious as jewels. . . . Wool will become scarcer (percentage of virgin wool in clothing you buy will become less and less). . . . Even nylon will be on the rationed list (now being used for parachutes). . . . Soap which contains coconut oil and palm oils, both imported, will be rationed. . . . Pearls (cultured from Japan —real, from Indian Ocean) will be unobtainable. . . . Railroad travel will be cut—priorities. . . . Cobalt, found with nickel deposits, is used in production of paint, glass, linoleum and ink. Shortage of cobalt will cut production of these products. . . . And speaking of ink, its rationing will reduce newsprint . . . another factor is the rationing of chlorine (goes into effect Feb. 1) used in bleaching paper. This will make newsprint, magazines, books, etc., yellower. . . . Salaries will probably also be fixed. . . . New issues may also be cut down. . . . SEC will pass on such new issues which "help defense," others will be sidetracked. . . . No prohibition, despite slowly gaining agitation. OPM has ordered distillers to concentrate on industrial alcohol, but drinking stock on hand is big enough to last five years.

Our own **Ed Beck**, the hail fellow-well-met type (as if you didn't know). The kind who stops and asks you how you feel, and then wacks you on the back, so if you felt all right a second ago, you feel like the wrath of the gods after the wack, stopped a letter carrier in front of his house the other day. "Hy'a Joe! (we think it was Joe). Cold enough for you? See you got the old ear muffs on." The letter carrier looked up. "Yep, pretty cold. I haven't been wearing these ear muffs right along. I was afraid somebody would ask me in for a drink and I wouldn't hear them." P. S. Ed, did the letter carrier get the drink?

According to **newspaper "PM"** " . . . **Emil Schram,** former Chairman of the RFC, now President of the NYSE, left the Government partly because he was bested by Jones (Secretary of Commerce) in a controversy over synthetic rubber. Schram wanted to finance ersatz production on the theory that the East Indian supply was too far away in the troubled Pacific area to be reliable. Jones couldn't see it, pointed out that rubber produced by synthetic methods was more costly than the natural stuff and therefore a bad business risk." . . . The story then goes on to say that Mr. Schram approved the arrangement with the Goodyear Rubber-Phillips Petroleum combine whereby the Government would finance the construction of synthetic rubber plants as long ago as July, 1940. Jones killed it and it wasn't revived until May, 1941.

Earl Rodney contributes the one about the stage director who told a girl in the cast he was rehearsing, "I'm a man of a few words. When I point at you, that means you are to come to me." . . . "O. K.," replied the actress. "But when I shake my head, that means I ain't gonna do it."

Connecticut Light Pfd. Oversubscribed

Putnam & Co., on behalf of the underwriting syndicate, announce that subscriptions have been received on the offering of Connecticut Light and Power Company preferred stock in excess of the amount reserved for selected dealers. Inasmuch as the exchange of stock to old holders is not closed the selling books are being kept open for further subscriptions of cash stock.

The banking syndicate headed by Putnam & Co., Chas. W. Scranton & Co. and Estabrook & Co., on Jan. 13 offered a new issue of 336,088 shares of cumulative preferred stock, without par value (stated value $50 a share) of The Connecticut Light and Power Co. The stock was priced to the public at $52 per share. The offering consists of 136,088 shares of $2.40 cumulative preferred stock which is offered to holders of the 68,044 presently outstanding 5½% preferred shares, $100 par value, on the basis of two shares of new stock in exchange for each old share, and 200,000 shares of $2.20 cumulative preferred stock, plus an additional amount equal to twice the number of 5½% preferred shares not exchanged for new stock, which was offered to the public. On March 1, 1942, all shares of the present preferred stock not surrendered for exchange will be called for redemption at $112 per share plus the quarterly dividend due on that date.

Proceeds to the company will be used to retire all of the presently outstanding 5½% cumulative preferred stock and to raise approximately $10,000,000 for expansion of present facilities principally occasioned by the installation of two 45,000 kilowatt generating units at the Devon plant, one of the company's principal base load stations.

The consolidated earnings statement of the company and subsidiaries for the 10 months ended Oct. 31, 1941, shows net income transferred to surplus of $3,146,054, compared with $4.083.206 for the full year 1940 and $4,167,447 in 1939.

UP-TOWN AFTER 3

NEW MOVIES

"Son of Fury" (20th-Fox), with Tyrone Power, Gene Tierney, George Sanders, Frances Farmer and others. Directed by John Cromwell. Story based on novel "Benjamin Blake" by Edison Marshall.

An excellent movie about a bound servant who actually is the rightful heir to the title and estates of Sir Arthur Blake who plots to rob him of his birthright. Set in England of the 18th century it describes the plight of the common people and the power of life and death the rich and powerful had over them. Tyrone Power as the nameless stable boy is the bound servant of Sir Arthur who has him on his estate to see that he does no talking. The boy grows up hating and planning revenge on his uncle but between his hates he falls in love with Frances Farmer, Sir Arthur's daughter. When discovered, Sir Arthur gives him what for with a whip, and the boy runs off and stows away on a ship headed for the Indies. He and a shipmate jump the vessel at an uncharted island in the South Pacific, make friends of the natives, find pearls as big as walnuts and meet beautiful native girls headed by Gene Tierney. Miss Tierney may not be much of an actress (see "Shanghai Gesture") but in a sarong she out-Lamours the much publicised Dorothy Lamour. And when she does a kind of a dance, you know what I mean, one of those boom, boom, BOOM, things, well Tyrone Power is a half wit for wanting to go back to Merrie Olde England. But go back he does and runs right smack into his old love, Sir Arthur's daughter, who promptly gives him away. Why, is never explained, she seemed to like him all along. Still, for the purpose of getting him back to the arms of Gene Tierney, I suppose somebody had to be the heavy. In any case the impetuous Tyrone is caught, tried, and about to be sentenced to be hung when the applecart is upset. How it's done you'll have to see for yourself. In any case he gets hunk with his thieving uncle (there are some swell fight scenes) repays all his friends and sails back to his island paradise and his love Gene Tierney, where it is assumed they live happily forever after.

"Mr. & Mrs. North" (MGM), with Gracie Allen, William Post, Jr., Paul Kelly and others. Directed by Robert B. Sinclair.

An occasionally amusing, but mostly dull story about a couple who become involved in a series of murders. Most of the picture is given over to the antics and sometimes laughable naivette of Gracie Allen. Still a little of Gracie Allen can go a long way. On the radio the remarks of Gracie can be funny. On the screen they become tiresome, particularly when there is little else to distract your attention. In any case there is a brush salesman, a district attorney, a simpering detective and a lot of other people who wander through the story leaving all kinds of clues behind. The whole thing was confusing to everybody including your reporter.

NIGHT LIFE IN NEW YORK

Since the war the gay spots around the city have been anything but gay. Last Friday was the first night since New Year's Eve that people began leaning against their favorite bars to discuss the grand strategy of the war with bartenders. At the **Penthouse Club,** which in case you don't know is run by the ex-President of the Erie Railroad, I ran into **Bill Rosenbaum (William Rosenbaum & Co.)** members, who between liquid refreshments advised that business was grand. At **Fefe's Monte Carlo** I ran into **Morris Newburger (Newburger & Loeb),** Mrs. Newburger, and an officer in the Army, who was with them but said he couldn't take more than two drinks, at least not while he was in uniform. While Morris was explaining about a certain show he and his wife had seen **Frank (bring-'em-back-alive) Buck** entered, minus even a tame pussy cat. Right away I thought about how I had promised my son to get him Frank Buck's autograph but just as I was about to make the request my attention was diverted by a game of gin rummy between **Dolly deMihlo,** society registerite and Monte Carlo publicist and **Eckert Goodman,** the Town & County scribe. Not knowing a thing about the game but anxious to make a noise like a kibitzer I joined in. When after getting the bum's rush I wandered back to **Mr. & Mrs. Newburger, and the Frank Bucks,** I found they were getting ready to leave. So there I was like the dog who dropped the bone to snap at a shadow. I didn't learn how to play gin rummy and I never got the autograph. Ho-hum! Out into the night and the snow coming down blanketing everything. Ran into **Sidney Rogers** who does something about mortgages for the Prudential Insurance people. He explained his being out at that hour by saying he was going to work. Does something for the War Department during the wee-wee hours.

J. Bunn Now Trading Mgr. For Stifel, Nicolaus Co.

ST. LOUIS, MO.—Stifel, Nicolaus & Co., Inc., 314 North Broadway, announce that John W. Bunn has been appointed manager of the trading department. Mr. Bunn has been with the firm for a number of years, and in the trading department for the past two years. Mr. Lougeay, formerly trading manager, is no longer connected with the firm.

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Our Reporter On Governments

(Continued from first page)

to withdrawals by individuals investing their savings in defense bonds at 2.9% return. . . .

The insurance companies are going to be big buyers of Governments, of course, but the billion to two billion securities they can buy in any one year will not suffice. . . .

The commercial banks continue as the important buyers of Governments and the important point here is that Secretary Morgenthau and Reserve Chief Eccles can expend the banks' purchasing power by a stroke of the pen at any time (lowering reserve requirements, for instance). . . .

This, too, was emphasized by the refunding deal. . . .

The Next Borrowing

When will the Treasury be back for more cash?

This is a guess. . . . But the chances are Morgenthau will ask for money through open market channels in February. . . . The middle of next month, in all probability. . . .

The pace of defense bond sales will be the determining factor here and present indications are sales in January may total $1,000,000,000. . . . That's a tremendous figure, an out-on-the-limb forecast, surpassing any others made so far. . . . But this is January, the month for re-investment by trust funds, wealthy estates, etc. . . . This is the month of intensive publicity for the drive. . . . In the first five days of the month, $145,000,000 defense bonds and stamps were sold. . . .

The billion-dollar mark doesn't seem so preposterous in view of these factors. . . .

But, regardless. . . . With the budget figures in the astronomical realm, with spending rising every day, it's to be expected that Morgenthau will hesitate to "shave it close." . . .

Thus while he probably will be able to hold off until March, if he wishes or if the market so dictates, he'll prefer to finance in February and to get the funds before he's pressed for them. . . .

For a hint at the spending rate, notice the Federal Reserve System's weekly statement for the week ended Jan. 7. . . . The Treasury's deposits with the Federal Reserve Banks sank $204,000,000 to $663,000,000 in that seven-day period. . . . (Incidentally, that development helped boost excess reserves for the member banks $300,000,000 in the week.) . . .

So let's say February and let's figure on another long-term bond, aimed at the "permanent" investors. . . . For the Treasury is still intent on its re-distribution of the debt plan, even if it has to and knows it has to compromise somewhat because of the emergency. . . .

Tax-Exemption

And now we come to the big story of the day—the question of taxes. . . .

There's every reason to believe that the Government will accomplish its objective of eliminating the tax-exemption feature on future issues of State and municipal securities within the next few months. . . . Therein, by the way, lies the reason for the haste of several municipalities—notably New York City—to get their last war-time borrowings out of the way. . . . Getting "under the wire," so to speak. . . .

But eliminating the exemption on outstanding issues is another matter entirely. . . . A matter calling for invasions into the field of constitutional law and into the realm of ethics that unquestionably will cause much delay. . . . Maybe the Treasury will find a way to "nullify" the exemption privilege by 1943 or 1944. . . .

Surely, you would be wise to expect moves designed to make the tax-exemption clauses less valuable. . . . But removal of the full exemption in the near future?

That's unlikely. . . .

And this accounts for the definite increase in switches from taxables to tax-exempts in recent weeks. . . . For the moves from the long-term taxables to longest-term exempts, from the "preliminary refunding" of the recently called issues by major institutions. . . .

Before the Treasury tries an obvious move to remove the exemption feature on outstanding Government issues, it's likely that a general sales tax will be attempted. . . . It's likely that various subtle changes will be made in the normal vs. the surtax ratios (changing the surtax figure is the best way to get at the tax-exempts without direct action, of course). . . .

Since we may expect the tax-exempts will continue fairly free from tampering for at least another six months or a year, the tax-exempt list appears especially attractive in comparison with the taxables at this time. . . .

Income vs. Maturity

Another angle deserving your consideration now is that involving your basic policy of maturity distribution as against income. . . .

These points appear obvious:

(1) The commercial banks and other major investors in Government issues are not going to be allowed to sell their holdings at will. . . . Liquidation on any scale disturbing to the market will be frowned upon and (that's putting it gently). . . .

(2) The banks and other major investors are going to be expected to buy huge amounts of Government bonds this coming year. . . . To buy more than they purchased in 1941, for instance, and that total ran close to $3,000,000,000 for the member banks alone. . . .

(3) The bank's aren't going to want to sell bonds—for patriotic reasons alone. . . .

(4) Savings banks will become less important as purchasers, so commercial banks will have to replace them. . . .

Now what does that mean to your policy?

To this observer, it means that you might as well get the most you can out of your holdings. . . . The best yield possible. . . . The most income available. . . .

Maturity becomes less and less important as you consider you must hold the bonds for an indefinite period, anyway. . . .

Income appears more and more important as you realize you no longer can buy and sell at will and only your total holdings interest the Government. . . .

In the '20s, it was possible at times to sell long-terms and buy short-terms to increase your total yield. . . . Not that we wish to forecast this again, but following income rather than maturity would seem a wise—and yet properly aggressive—policy at the moment. . . .

Inside The Market

Savings banks already are beginning to lose deposits and will lose more as depositors recognize the difference between interest of 1½% and 2.9% and fall under the spell of an intensive sales drive. . . .

Wall Street believes President Roosevelt set the budget figures as high as his imagination would permit. . . . But spending the money is some thing else again. . . .

Open market borrowings every other month appear to be scheduled.

Morgenthau "hit it close" this time with refunding debt only a week before redemption date. . . .

The Securities Salesman's Corner

WORK IS NINE-TENTHS GETTING STARTED

Did you ever watch a train pull out of a station? If you did, you'll remember how the engine huffed and puffed and how the wheels spun round and round. Then the engineer released the sand which poured onto the tracks and the driving shafts drove the wheels faster and faster until the train was only a vanishing object far in the distance. "Getting started" doing your day's work is similar to this analogy. The greatest amount of effort expended by the locomotive was during the first 100 feet of its "pull" from a dead start.

Boiled down to fundamentals, there seems to be a certain law which applies to both mental and physical effort. If you want to test this out to your own satisfaction review what happens to your own mental and physical condition when you awake in the morning. The hardest job is "to get your first foot on the floor." After that the procedure of scrubbing your teeth and removing the stubble becomes more or less automatic. By the time you've got your shirt on you have forgotten to consider how difficult it was to get out of a nice warm bed—you're on your way!

Work is more or less a habit. Once you get started half the battle is won. There seems to be a direct relationship between the amount of effort necessary to make your first two calls and the ease with which you will make your last call of the day. Besides, the day in which you put forth the greatest amount of constructive, purposeful effort, is also going to leave you with the most personal satisfaction when your work is done. Your mind will function more clearly, your interviews will be smoother, and as a natural result of increased efficiency and more consistent work, the results accomplished will therefore be more satisfactory.

There is one "aid in getting started" that should be of some assistance to any salesman who has trouble with this problem today. The suggestion we would make is this—try sort of a mental "warm-up" before you attempt your first call of the day. Sit down with your pencil and paper and plan the day. First map out your calls, route yourself, add a few extra stops (just to be obstinate) and because you really don't feel like working after all. Then deliberately close your mind to all outside influences. This can be done if you try to do so. Next, say something like this to yourself, "Here goes!" "Just because I don't feel like it I am going to finish one of the best day's work I've ever accomplished. What will happen tomorrow, I am not concerned about. Yesterday and its hopes and errors is passed. Today is the only day I know about and as long as this is my job I am going to do it."

It may sound silly to suggest such a stunt as this. But it will help you if you try it and the reason we've written about this subject is that we believe that every salesman (especially today) needs to give himself such a boost once in a while. Try such a good hard, enthusiastic, day's work tomorrow. See if it doesn't work out to your advantage.

Watch what happens if you can keep it up for a few weeks stretch. It can't hurt your volume of business nor your commission account, and the day's work will surely be more pleasant and enjoyable. After all "work" should be pleasant, it should give more than just a piece of bread to any man who has the initiative and imagination to choose "selling" as his profession. Life's just too short for any other way.

NASD Meeting To Elect Officers; Plan Program

Representatives of underwriters, securities dealers and brokers in every section of the country will meet at the Waldorf-Astoria in New York City today and Friday for the annual election of officers and governors of the National Association of Securities Dealers, Inc. In addition, the meetings will complete plans for NASD's active participation, in collaboration with other associations and organizations of securities dealers and brokers, in the Government's Defense Bond sales program. The governors will receive a report on last year's NASD enforcement campaign and plan for its continuation in 1942. One-third of the Association's members were examined in 1941 as the first step in a program for review of the finances and practices of all members.

Among new members elected to the Board of Governors are James Coggeshall, Jr., The First Boston Corporation and Clarence E. Unterberg, C. E. Unterberg & Co., New York. Robert W. Baird, The Wisconsin Company, Milwaukee, is Chairman of the Association. Lee M. Limbert, Blyth & Co., Inc., is a Vice-Chairman. A Chairman, two Vice-Chairmen, a Treasurer and the Executive Director are to be elected for the ensuing year. Perry E. Hall, Morgan Stanley and Company, and Frank Dunne, Dunne & Co., are members of the nominating committee which will report its recommendations for the current year's officers at the meeting on Friday.

Majewski To Be Partner In Edward A. Purcell Co.

Tomasz J. Majewski will become a limited partner in Edward A. Purcell & Co., 65 Broadway, New York City, members of the New York Stock and Curb Exchanges, on Feb. 1. Mr. Majewski has been in business as an individual dealer in New York and prior thereto was with M. C. Bouvier & Co. and Parris & Co.

Security Salesmen Of Philadelphia Elect

PHILADELPHIA, PA. — The Philadelphia Association of Security Salesmen has elected C. Howie Young, W. L. Morgan & Co., President, to succeed S. Stewart Alcorn, Jr., Eastman, Dillon & Co. Clifton D. Bunting, First Boston Corp., was named Vice-President and William V. McKenzie, Paine, Webber & Co., Secretary.

Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Jan. 12 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Jan. 14 and to mature April 15, 1942, which were offered on Jan. 9, were opened at the Federal Reserve Banks on Jan. 12. The following details of this issue are revealed:

Total applied for___$384,694,000
Total accepted _____ 150,047,000
Range for accepted bids (excepting one tender of $300,000):
High—100.
Low—99.963. Equivalent rate approximately 0.146%.
Average Price—99.970. Equivalent rate approximately 0.119%.

There was a maturity of a similar issue of bills on Jan. 14 in amount of $100,207,000.

J. Eustis & R. Stoddard Now With Riter & Co.

John N. Eustis and Ralph G. Stoddard have become associated with Riter & Co., 48 Wall Street, New York City, members of the New York Stock Exchange and other Exchanges, to do sales research. Both were formerly connected with Francis I. du Pont & Co. and Chisholm & Chapman, and prior thereto with Granberry & Co. as specialists in research and sales promotion. Mr. Eustis was a partner in Granberry & Co. In the past Mr. Stoddard was secretary and sales promotion manager of Standard Statistics Co.

Urges Nat'l Investors, Tri-Continental Merger

Fred Y. Presley, President of the National Investors Corporation, an investment trust, in resigning from that post to free himself for other endeavors, recommended that National Investors become affiliated with the Tri-Continental Group. Under the proposed arrangement, set forth in a letter from Mr. Presley to the stockholders, National Investors would participate with the companies in the Tri-Continental Group in their arrangement for sharing the cost of management and investment service, which would serve considerably to decrease expenses.

Mr. Presley and the present Board of National Investors suggested that the new Board be composed of Tri-Continental men. Tri-Continental is sponsored by J. & W. Seligman & Co., three of the proposed new directors, Henry C. Breck, Cyril J. C. Quinn and Francis F. Randolph, being partners in that firm. Other nominees to the Board are Thurston P. Blodgett, Vice-President of Union Service Corporation; Alfred M. Ellinger, Vice-President of the Central Hanover Bank & Trust Co.; Bayard F. Pope, Chairman of the Board of Marine Midland Corporation, and Robert V. White, President of Lehigh Coal and Navigation Company, all of whom are directors of Tri-Continental companies.

Wm. Ede And D. Collins Form S. F. Exchange Firm

SAN FRANCISCO, CALIF.—William Ede, Jr., and Daniel J. Collins have formed Collins & Ede, with offices in the Russ Building, to succeed Holt & Ede. Mr. Ede, a member of the San Francisco Stock Exchange, will represent the firm on the floor of the Exchange.

Mr. Ede, who has been in the investment business since 1925, is Vice-President of the San Francisco Exchange. Mr. Collins is President of the Security Cashiers' Association of San Francisco and a past President of the San Francisco Stock Exchange Institute.

Calendar of New Security Flotations

OFFERINGS

CONNECTICUT LIGHT & POWER CO.

Connecticut Light & Power Co. has filed a registration statement with the SEC for 336,088 shares of cumulative preferred stock, no par

Address—36 Pearl St., Hartford, Conn.

Business—Business of company consists principally of production, purchase, transmission, distribution and sale of electricity and gas for residential, commercial, industrial and municipal purposes in Connecticut

Underwriters—Principal underwriters are Putnam & Co., Hartford, Conn.; Chas W. Scranton, New Haven; and Estabrook & Co., Boston; names of the other underwriters will be supplied by amendment

Offering—Company proposes to offer a maximum of 136,088 shares of the preferred stock, bearing a dividend rate of $2.25 per share per annum, in exchange for the outstanding shares of 5½% cumulative preferred stock, $100 par, on the basis of 2 shares of $2.25 preferred for each share of 5½% preferred stock held (excludes holders in Minnesota, Wisconsin, Maine, New Hampshire and California); the exchange offer expires Jan. 16, 1942. It is further proposed to offer publicly through the underwriters 200,000 shares of the preferred stock, bearing a dividend rate of $2 per share per annum, plus an additional number of shares of $2 preferred stock equal to twice the number of shares of 5½% preferred stock as are not exchanged. Public offering price will be supplied by amendment

Proceeds will be used to finance, to the extent of about $10,000,000, the company's construction program calling for installation of two 45,000 kilowatt generating units, payment of $300,000 bank loans, and to redeem on March 1, 1942, at $112 per share, all of the 5½% preferred stock not exchanged for the new $2.25 preferred stock

Registration Statement No. 2-4918. Form A2. (12-24-41)

Offered Jan. 13 by syndicate headed by Putnam & Co., Chas. W. Scranton & Co. and Estabrook & Co. as managers. A total of 336,088 shares of new cumulative preferred stock (no par) was offered comprising 136-088 shares of $2.40 cumulative preferred stock offered to holders of 68,044 presently outstanding 5½% preferred shares ($100 par) on the basis of 2 shares of new stock for each old share; and 200,000 shares of $2.20 cumulative preferred stock offered to the public at $52 per share, plus an additional amount equal to twice the number of 5½% preferred shares not exchanged for new stock

PITTSBURGH STEEL CO.

Pittsburgh Steel Co. has filed a registration statement with the SEC for $2,000,000 of first mortgage series B 4½% bonds, due Dec. 1, 1950

Address—1600 Grant Building, Pittsburgh, Pa.

Business—Engaged primarily in manufacture and sale of semi-finished steel products, wire products and tubular products

Underwriting—Kuhn, Loeb & Co., and A. G. Becker & Co., Inc., both of New York, each have agreed to purchase $1,000,000 principal amount of the bonds

Offering—The bonds will be offered to the public, at a price to be supplied by amendment

Proceeds to extent of $1,040,000 will be deposited with Trustee and will be withdrawn from time to time in the future against property additions which are now contemplated; balance for working capital

Registration Statement No. 2-4905. Form A2. (12-2-41)

Offered Jan. 14 at 99 and accrued interest

TIME FINANCE CO.

Time Finance Co. registered with SEC $400,000 10-year 5% sinking fund debentures, due Dec. 1, 1951, and option warrants for 20,000 shares common stock, $1 par value

Address—Louisville, Ky.

Business—Engaged in the "small loan" personal loan business in Kentucky and Minnesota

Underwriting—Underwriters of the debentures are Piper, Jaffray & Hopwood, Minneapolis, and Bankers Bond Co., Louisville, Ky. Underwriting commission is 6%

Offering—The debentures will be offered to the public at 100. Purchasers of each $1,000 debenture will receive an option warrant entitling holders to purchase 50 shares of common stock on or prior to Dec. 1, 1943, at $2.75 per share; purchasers of each $500 debenture will receive option warrants entitling holders to purchase 25 shares of common stock on or before Dec. 1, 1943, at $2.75 per share

Proceeds will be added to working capital

Registration Statement No. 2-4901. Form A2. (12-1-41)

Effective 3:45 p.m. EST on Jan. 6, 1942

Offered Jan. 7, 1942 at 100 and interest

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

Effective 3 p. m. E.S.T. on Nov. 25. 1941 as of 4:45 p. m., E.S.T., Nov. 11, 1941

UNION OIL CO. OF CALIFORNIA

Union Oil Co. of California filed a registration statement with the SEC for $15,000,000 3% Debentures, due Jan. 1, 1967

Address—Union Oil Bldg., Los Angeles, Cal.

Business—Company is engaged in substantially all branches of the oil business, including, acquisition and development of prospective and proved oil lands; production, purchase, transportation and sale of crude oil and natural gasoline; refining of crude oil; production, treatment and sale of natural gas; and the manufacture, transportation and wholesale and retail marketing of pertroleum products. Its business is conducted chiefly on the Pacific Coast, particularly California.

Underwriters, and the principal amount of Debentures severally to be purchased by each, are as follows:

Name	Amounts
Dillon, Read & Co.	$3,000,000
Blair & Co., Inc.	300,000
Blyth & Co., Inc.	1,500,000
Brush, Slocumb & Co.	100,000
Elworthy & Co.	150,000
The First Boston Corporation	1,000,000
Goldman, Sachs & Co.	500,000
Harriman Ripley & Co., Inc.	500,000
Lehman Brothers	500,000
Mellon Securities Corporation	1,200,000
Mitchum, Tully & Co.	200,000
O'Melveny-Wagenseller & Durst	100,000
Otis & Co.	125,000
Pacific Company of California	150,000
Page, Hubbard & Asche	100,000
Riter & Co.	250,000
Schwabacher & Co.	200,000
Shields & Company	500,000
Smith, Barney & Co.	1,000,000
William R. Staats Co.	500,000
Stone & Webster and Blodget, Inc.	500,000
Union Securities Corporation	500,000
Weeden & Co.	125,000
White, Weld & Co.	500,000
Dean Witter & Co.	1,500,000

Offering—The Debentures will be offered to the public, at a price to be supplied by amendment to registration statement

Proceeds will be used for general corporate purposes, including expenditures of substantial amounts with respect to its refining and marine transportation facilities

Registration Statement No. 2-4927. Form A2 (12-30-41)

Offered Jan. 13 at 99½ plus accrued interest from Jan. 1, 1942

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, $100 par value, and a maximum of 943,309 shares of common stock, $5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment

Address—400 S. Maine Street, Hartford, Conn.

Business—Business of company is carried on through five operating divisions and three subsidiaries; three of the divisions are manufacturing divisions and each has its own engineering, research, manufacturing and sales organizations. Business includes manufacture and sale of aircraft engines, propellers, and other aircraft parts and accessories

Underwriting and Offering—The 265,669 shares of preferred stock will be initially offered to holders of company's common stock, for subscription at $100 per share, pro rata, at the rate of one share of preferred stock for each 10 shares of common stock held of record on Jan. 2, 1942, and on the same basis to holders of certificates for shares of common stock of United Aircraft & Transport Corp. who, by exchange of their certificates after such date and prior to the expiration date of the subscription warrants, shall have become stockholders of the corporation. The rights to subscribe shall be evidenced by subscription warrants, which will expire on Jan. 13, 1942. Any of such shares of preferred stock not subscribed to under above offer, will be underwritten and offered to the public, at a price to be supplied by amendment. Price to the underwriters for the unsubscribed stock will be $100 per share. Harriman Ripley & Co., Inc., New York, are named principal underwriters and are committed to the purchase of 18.15% of all stock not subscribed for by common stockholders. In addition to Harriman Ripley & Co., the underwriters and their participations are: Blyth & Co., Inc., Kuhn, Loeb & Co. and Morgan Stanley & Co., 11% each. Hayden Stone & Co. and Smith, Barney & Co., 5.5% each. G. M.-P. Murphy & Co., 3.8%. Clarke, Dodge & Co., Dominick & Dominick, Goldman, Sachs & Co., Hornblower & Weeks, Lazard Freres & Co. and White, Weld & Co., 3.65% each. W. E. Hutton & Co., 2.75%. The Blue Ridge Corp., 2%. Merrill Lynch, Pierce, Fenner & Beane, 1.85%, Baker, Weeks & Harden, Putnam & Co. and Chas. W. Scranton & Co., 1.2% each. Merrill Lynch & Co., Inc., and Cassatt & Co., 0.9% each.

Proceeds will be added to working capital and will be used for corporate purposes

Registration Statement No. 2-4916. Form A2. (12-17-41)

Effective—4:45 p.m. EST on Jan. 2, 1941.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, JAN. 15

IOWA SOUTHERN UTILITIES CO. OF DELAWARE

Iowa Southern Utilities Co. of Del. has filed a registration statement with the SEC for $10,000,000 first mortgage 3½% bonds, due Dec. 1, 1971, and $5,160,000 of 4½% sinking fund debentures, due Dec. 1, 1971

Address—Centerville, Ia.

Business—Principal business of this public utility operating company is that of generating, distributing and selling electrical energy for light, heat and power, serving 134 communities at retail in 24 counties in the southern and southeastern parts of Iowa. Also, manufactures and sells artificial gas to several communities in that area, as well as steam heat

Underwriters—W. C. Langley & Co., New York, and Halsey, Stuart & Co., Inc., Chicago, are named principal underwriters; the names of the other underwriters will be furnished by later amendment to the registration statement

Offering—The bonds and debentures will be sold to the public, at prices to be supplied by amendment to the registration statement

Proceeds, together with other funds of the company will be used to redeem the following issues of bonds of the company: $10,000,000 first mortgage 4s, due May 1, 1970; $2,660,000 general mortgage sinking fund 4½s, due May 1, 1950; and $2,500,000 of 6% series A debentures, due May 1, 1950, requiring an aggregate of $15,854,700, exclusive of accrued interest on the bonds to be redeemed

Registration Statement No. 2-4921. Form A2. (12-27-41)

SATURDAY, JAN. 17

DOMESTIC FINANCE CORP.

Domestic Finance Corp. has filed a registration statement with the SEC for 61,484 shares common stock, no par value

Address—231 S. La Salle St., Chicago, Ill.

Business—Engaged, through subsidiaries, in the small loans business, operating 36 offices in 9 states.

Underwriting and Offering—The shares registered are outstanding and owned by Merchants & Manufacturers Securities Co., and are being offered solely for the purpose of exchanging the same for the 30,742 outstanding shares of participating preferred stock of Merchants & Manufacturers Securities Co., on the basis of two shares of common stock of Domestic Finance Corp. for one share participating preferred stock of Merchants & Manufacturers Securities, plus cash adjustment for dividends. Latter company reserves the right at any time to pay to dealers and others not to exceed 50 cents for each share of common stock of Domestic Finance Corp. delivered in such exchange as compensation for services in assisting Merchants & Manufacturers Securities Co., in consummating such exchanges

Registration Statement No. 2-4922. Form A2. (12-29-41)

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923. Form A2. (12-29-41)

CORNELL-DUBILIER ELECTRIC CORP.

Cornell-Dubilier Electric Corp. filed a registration statement with the SEC covering $1,500,000 convertible sinking fund debentures; 30,000 shares of 5% cumulative convertible preferred stock, $50 par; and an unstated amount of common stock, $1 par, the latter to be reserved for issuance upon conversion of the debentures or the preferred stock. Interest rate and maturity date of the debentures will be supplied by amendment.

Address—333 Hamilton Blvd., S. Plainfield, N. J.

Business—Engaged in manufacture and sale of various types of capacitors, known also as fixed electrical condensers, devices for storing electrical energy between two or more conducting surfaces separated by a dielectric or non-conductor

Underwriting—McDonald-Coolidge & Co., Cleveland, and Eastman, Dillon & Co., New York, are named principal underwriters

Offering—Company states that because of the present uncertainty of wordwide conditions, it is impossible to determine at this time whether it will be more advisable for the proposed financing to be effected by means of an offering of debentures or preferred stock. It is not expected that both the types of securities will be registered, but that later either the debentures, or the preferred stock, will be sold to the public, and the other type of security will be eliminated from registration. Public offering price will be supplied by amendment

Proceeds will be used to pay $400,000 bank loans, reimburse company's treasury for expenditures made and to be made for plant, machinery and equipment during past and current years, and for working capital

Registration Statement No. 2-4924. Form A2. (12-29-41)

SUNDAY, JAN. 18

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business—Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

SCHENLEY DISTILLERS CORP.

Schenley Distillers Corp. filed a registration statement with the SEC for $10,000,000 10-year sinking fund debentures, due Jan. 1, 1952, and $17,500,000 15-year sinking fund debentures, due Jan. 1, 1957. Interest rates will be supplied by amendment to registration statement

Address—350 Fifth Ave., New York City

Business—Company and its subsidiaries are engaged generally in the distilling, blending, rectifying, producing, warehousing, bottling, buying, selling, exporting and importing alcoholic products for beverage purposes, principal business being production and sale of rye, bourbon and blended whiskies in the United States

Underwriting—Mellon Securities Corp., Pittsburgh, is named principal underwriter; names of others will be supplied by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds from sale of the debentures, together with the net proceeds of unstated amount of short-term bank loans to be procured by company prior to or concurrently with the issue of the debentures, will be applied to payment of all the present bank loans of company. Amount of such bank loans outstanding on Aug. 31, 1941, was $24,000,000

Registration Statement No. 2-4925. Form A2. (12-30-41)

Amendment filed Jan. 13, disclosing a coupon rate of 3¼% for the $10,000,000 10-year sinking fund debentures, and a coupon rate of 4% for the $17,500,000 15-year sinking fund debentures

The amendment named the underwriters of the issues as follows: Mellon Securities Corp.; Alex Brown & Sons; A. C. Allyn & Co.; Bear, Stearns & Co.; Blair & Co.; Blyth & Co.; Bonbright & Co.; Central Republic Co.; Dean Witter & Co.; Dillon, Read & Co.; Eastman, Dillon & Co.; Emanuel & Co.; Estabrook & Co.; the First Boston Corp.; Hallgarten & Co.; Harris, Hall & Co.; Hayden, Miller & Co.; Hemphill, Noyes & Co.; J. J. B. Hilliard & Son; W. E. Hutton & Co.; Jackson & Curtis; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Lazard Freres & Co.; Lee Higginson Corp.; Carl H. Loeb, Rhoades & Co.; Laurence H. Marks & Co.; Merrill Lynch, Pierce, Fenner & Beane; Moore, Leonard & Lynch; F. S. Moseley & Co.; Paine, Webber & Co.; Parrish & Co.; E. H. Rollins & Sons; Riter & Co.; Schwabacher & Co.; Shields & Co.; Singer, Deane & Scribner; Stein Brothers & Boyce; Stone & Webster and Blodgett; Stroud & Co.; Tucker, Anthony & Co.; Union Securities Corp.; Wertheim & Co., and Whiting Weeks & Stubbs

WEDNESDAY, JAN. 28

PENNSYLVANIA ELECTRIC CO.

Pennsylvania Electric Co. registered with SEC $32,500,000 first mortgage bonds, due Jan. 1, 1972, and 34,000 shares Series A cumulative preferred stock, $100 par. The interest rate on the bonds and the dividend rate on the preferred stock, will be supplied by amendment to the registration statement

Address—222 Levergood St., Johnstown, Pa.

Business—This company, controlled by Trustees of Associated Gas & Electric Corp., is engaged chiefly in the production, purchase, transmission, distribution and sale of electricity for lighting, heating, industrial and general utility purposes, serving a territory in Western Pennsylvania extending from the Md.-Pa. State line northerly to Lake Erie

Underwriting and Offering—The bonds and preferred stock will be sold by company under competitive bidding rule U-50 of SEC's Public Utility Holding Company Act. Names of underwriters and public offering prices will be supplied by amendment to registration statement. The Invitations to bid for the securities specify that the company is to receive not less than 103 for the bonds and not less than $100 per share for the preferred stock

Proceeds will be used to redeem all of the outstanding funded debt of the company and Erie Lighting Co. and for property additions

Registration Statement No. 2-4929. Form A2 (1-9-42)

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, $1 par value, and 60,000 shares Class B common stock, $1 par value

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and oderless

Underwriting and Offering—The shares will be offered to the public at a price of $5 each for each class of stock, by John W. Yeaman, Martinsville, Va.

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital

Registration Statement No. 204928. Form A1 (1-9-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

Amendments filed Nov. 25 and Dec. 13, and Dec. 30 1941, to defer effective date

ALABAMA POWER CO.

Alabama Power Co. filed a registration statement with the SEC for $80,000,000 of first mortgage bonds, due Jan. 1, 1972. The interest rate will be supplied by post-effective amendment to the registration statement

Address—600 N. 18th St., Birmingham, Ala.

Business—A subsidiary of the Commonwealth & Southern Corp., this company is engaged, in the State of Alabama, in the generation and purchase of electricity and its distribution and sale at retail in 582 communities and rural areas, and sale at wholesale of electricity to other companies and municipalities. Also, purchases and sells natural gas in Phenix City, provides transportation service in Tuscaloosa and vicinity. About 99% of total gross operating revenues is derived from electric operations

Underwriting and Offering—The bonds will be sold under competitive bidding, pursuant to Rule U-50 of the Public Utility

Calendar of New Security Flotations

Holding Company Act of 1935, of the SEC. Names of underwriters and the public offering price, will be supplied by post-effective amendment to the registration statement

Proceeds from sale of the new bonds, together with the proceeds of bank loans aggregating $12,000,000 and treasury funds of the company to the extent necessary, will be used for the redemption or provision for payment of the entire outstanding mortgage debt of the company

Registration Statement No. 2-4917. Form A2. (12-20-41)

Declarations and applications filed with SEC in regard to the sale of $80,000,000 first mortgage bonds through competitive bidding permitted to become effective Dec. 30, 1941

Effective 4:45 p.m. EST on Jan. 8, 1942

Public Bids—Company issued Jan. 9 a public invitation for proposals for the purchase of $80,000,000 first mortgage bonds, series due 1972, with the stipulation that the coupon rate shall be specified by the bidders, in multiples of ⅛%, but not exceeding 3½%. All proposals must be presented to the company at the office of The Commonwealth & Southern Corp., 20 Pine St., N. Y. City, before 12 noon, Jan. 19, 1942. Prior to 3 p.m. on that date, the company will accept the proposal that provides the "lowest annual cost of money" for the bonds, unless it rejects all bids.

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Amendments filed Dec. 9 and Dec. 27, 1941, to defer effective date

DIANA STORES CORP.

Diana Stores Corp. filed registration statement with SEC for 20,000 shares of 6% cumulative convertible preferred stock, and 60,000 shares common stock, $1 par value

Address—519 Eighth Ave., New York City

Business—Operates a chain of 25 retail women's apparel stores, located in Florida, Georgia, North and South Carolina, Alabama and Virginia. Company does no manufacturing

Underwriters—Smith, Burris & Co., Chicago, and Tobey & Co., New York

Offering—20,000 shares of 6% cumulative convertible preferred stock and 20,000 shares of common stock will be offered to the public, in units consisting of one share of preferred and one share of common stock, at $14 per unit. Underwriting commission is $2.10 per unit. Remaining 40,000 shares common stock are reserved for issuance upon the conversion of the preferred stock

Proceeds will be added to working capital

Registration Statement No. 2-4915. Form S2. (12-17-41)

Effective 12:00 noon EST on Jan. 6, 1942

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendment filed Jan. 8, 1942 to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941 and Jan. 2, 1942 to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941 and Jan. 9, 1942

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock, $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-23-41 Cleveland)

Amendment filed Jan. 10, 1942 to defer effective date

PANHANDLE EASTERN PIPE LINE CO.

Panhandle Eastern Pipe Line Co. filed registration statement with SEC for $10,000,000 first mortgage and first lien series "C" 3% bonds, due Jan. 1, 1962, and 150,000 shares cumulative preferred stock, $100 par value. Dividend rate on the preferred stock will be supplied by amendment

Address—1221 Baltimore Ave., Kansas City, Mo.

Business—Engaged in the production, purchase, transmission and sale of natural gas, major part of which is sold to gas transmission and gas distribution companies for resale

Underwriting and Offering—Approximately 14,000 shares of the preferred stock will be offered for subscription to holders of 63,566 shares of its outstanding common stock who have not waived their preemptive rights to subscribe for the new preferred stock, at the rate of one share of the preferred for each 5⅓ shares of common stock; the subscription price will be supplied by amendment. The remaining shares of preferred stock not required for such exchange offer, together with all of the bonds, will be sold by company under competitive bidding, pursuant to Rule U-50 of the SEC's Public Utility Holding Company Act of 1935. Names of underwriters and the public offering prices, will be supplied by amendment

Proceeds will be applied to the redemption of all the company's outstanding class A preferred stock; to the purchase from Columbia Gas & Electric Corp. of all the outstanding securities (stock and debt) of Michigan Gas Transmission Corp. and Indiana Gas Distribution Co.; to purchase from Ohio Fuel Gas Co. of natural gas pipe lines in Indiana and Ohio; and the balance to pay part of the cost of authorized construction work

Registration Statement No. 2-4919. Form A2. (12-24-41)

Amendment filed Jan. 10, 1942 to defer effective date

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3[illegible] for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2 (3-30-40)

Amendments filed Nov. 25, Dec. 13 and Dec. 31, 1941, to defer effective date

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendments to defer effective date filed Dec. 26, 1941 and Jan. 10, 1942

(This List Is Incomplete Today)

The Business Man's Bookshelf

DEDUCTIONS FROM YOUR INCOME TAX, ***by Otto W. Helbig*** **60 Broad Street, New York—10c**

A new booklet "Deductions from Your Income Tax" is designed to give personal education to the public in taxation and to create straight thinking—and savings—for the Federal Income Tax. This booklet clearly explains the tax for personal returns. In simple language it tells what the Federal Income Tax means to the individual without cluttering his mind with problems in business returns in which he has no interest.

The law provides that taxpayers make certain deductions from their gross income before figuring taxes. It is to everybody's interest to keep a record of deductible items in a way that will be accepted by the income tax inspectors. For each taxpayer and his purse—rich and poor alike—this booklet provides properly headed record pages for conveniently listing deductions as he pays them. Therefore, it will keep him tax conscious throughout the year and not only on tax payment days.

The magnitude and significance of our defense program will begin to be impressed upon the minds of the public through the present Federal Income Tax. Now that our guns are talking and the number of our men under arms is to be vastly increased, taxes will impose an even greater burden. No one now can estimate what it is going to cost us to win the war. That cost, however high it may be, must be raised by taxes—taxes now to pay as much as possible as we go along; future taxes to wipe out National, State, city and county debts.

To deeply root national unity in sentiment and effort, an all important part is the education of the public in taxation as the vital investment in insurance for the American System — personal liberty, individualism and free enterprise. Our forefathers fought for and established our country on the idea that there be "No Taxation Without Representation." For one hundred and sixty-three years we Americans have had a voice—our votes—in taxation. Too many have been negligent in the selection of their representatives and corrupt politicians flourished. Education in the personal participation in taxation is needed now that it includes, particularly in sales and hidden taxes, every man, woman and child. Through true representation in taxation and the elimination of Governmental duplication America, after the fighting is over, again will continue the growth and expansion she began with the Boston Tea Party.

Corporations, in whole-hearted public spirit could well furnish each of their employees and stockholders with a copy of this important but inexpensive booklet. Corporations employ the best talent available to aid them in making their returns and in such distribution will extend valuable economic aid to the Government as well as to their corporate families. A copy of this booklet will save each individual confusion and money in making proper deductions when he makes up his return for this year's income. Corporations distributing these booklets will not only benefit their employees and stockholders but will save the Government inestimable expense by greatly reducing the number, which otherwise may be exceedingly high, of incorrect returns for the Income Tax Bureau to straighten out.

Distribution of this booklet by banks to their employees, stockholders, depositors and personal loan customers likewise will be in the public interest as it will encourage savings for taxes. Every penny paid out each day for a sales tax and listed as a deduction from income will be a savings that could be invested in a Savings Stamp and thence into a Defense Bond. Then the individual not only avoids paying an extra tax on a tax but saves to buy bonds—to consciously invest savings from whatever source as his investment to maintain The American Way of Life—an investment which, incidentally, pays him an annual cash income. Distribution by banks and corporations will build good will for each distributor through establishing kindlier and more cooperative public and labor relations. Through the stimulation of thrift it will provide funds for Defense Bonds and become a real benefit to each community as, through savings for taxes, it will prevent sudden large and disastrous withdrawals of money from business circulation on tax payment days.

Hilker With Clair Hall

(Special to The Financial Chronicle)

CINCINNATI, OHIO.—J. Kenneth Hilker has become associated with Clair S. Hall & Co., Union Trust Building. Mr. Hilker was formerly local representative for Stone & Webster and Blodget, Inc. and prior thereto was with the First Cleveland Corporation and Nelson, Browning & Co.

Ralph Deems Now With Bingham-Walter & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Ralph F. Deems has become affiliated with Bingham-Walter & Co., 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Deems was formerly proprietor of Deems & Co. and prior thereto was sales manager of Dulin & Co.

Now Lynch & Co.

DALLAS, TEX. — Coincident with the withdrawal from the firm of John E. McEvoy and Louis A. Watson, the firm name of Watson, Lynch & McEvoy, Inc., Dallas National Bank Building, has been changed to Lynch and Company. William F. Lynch is President of the new organization; J. Ervin Shilg and Alva F. McKnight continue in the sales department.

Autocar Corp.

Aetna Standard
Auto Ordnance Corp.
Botany Worsted Mills
Struthers Wells-Titusville

Wickwire Spencer Steel

J. F. Reilly & Co.
Members
New York Security Dealers Assn.
50 Broad St., New York, N. Y.
HAnover 2-4660
Bell System Teletype, N. Y. 1-2480

18th Annual Dinner For Phila. Traders

PHILADELPHIA, PA.—The Investment Traders Association of Philadelphia will hold their 18th annual dinner on Friday, Jan. 23, at 6:30 p.m. at the Crystal Ballroom of the Benjamin Franklin Hotel.

A grand extravaganza is being prepared featuring superb entertainment, delightful music, and girls-girls-girls (the committee claims a real bevy of steatopygic beauty) guaranteed to make you forget your long position. There will be active trading in U. S. Defense Savings Bonds. Send in your reservations early—price six dollars — to the Committee in charge of the dinner:

Frank E. Haas, Rufus Waples & Co., Chairman; Benjamin H. Lowry, Laird & Co.; John M. Hudson, Thayer, Baker & Co.; Russell M. Dotts, Bioren & Co.; Newton H. Parkes, Jr., E. H. Rollins & Sons; Robert A. Torrens, Harriman Ripley & Co.; George J. Muller, Janney & Co.; James B. McFarland, 3rd, First Boston Corporation; Samuel S. Boston, Butcher & Sherrerd; and Thomas F. O'Rourke, Stroud & Co.

Arnold Promoted By Harriman Ripley & Co.

PHILADELPHIA, PA.—Harriman Ripley & Co., Inc., 1529 Walnut Street, announces that Eugene Arnold, who has been associated with the company since its organization on June 16, 1934, has been appointed Manager of the Municipal Department.

Mr. Arnold entered the investment banking business in 1917 with the banking firm of Brown Brothers & Co. (now Brown Brothers Harriman & Co.) remaining in their employ until 1934. He is a member of the Bond Club of Philadelphia and is Vice-President of the Philadelphia Municipal Dealers Association.

The business of Harriman Ripley & Co., Inc., in Philadlphia, is under the direction of Frederick M. Thayer, Vice-President, and Edward Boyd, Jr., Manager.

Eagle Lock Co.
R. Hoe & Co.
COMMON
American Hair & Felt
Deep Rock Oil
•
HAY, FALES & CO.
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REMEMBER . . .

IT *is important to you, that we have no retail sales department and no retail business;*

AND *that our entire personnel is yours, in making accurate and firm markets in*

OVER-THE-COUNTER SECURITIES
(Actual Trading Markets, Always)

Kobbé, Gearhart & Company
INCORPORATED
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45 NASSAU STREET, NEW YORK
TELEPHONE REctor 2-3600
PHILADELPHIA TELEPHONE ENTERPRISE 6015
BELL TELETYPE NEW YORK 1-576
HARTFORD TELEPHONE ENTERPRISE 6425
BOSTON TELEPHONE ENTERPRISE 1250

THE BOND SELECTOR

DEEP ROCK OIL 6% DEBENTURES

Quoted recently over the counter at 93⅜-94⅞, Deep Rock Oil Corporation 6% debentures, due in 1952, are considered attractive for income and the possibility of appreciation to par, which level represents the redemption price of the bonds. At 94½, they yield 6.76% to their due date on Jan. 1, 1952.

Deep Rock is a small integrated unit, operating in the mid-continent area. Oil lands consist of 121,439 acres, of which 9,152 are developed, these being located principally in Oklahoma, Kansas, Texas and Arkansas. Present reserves are not stated, the latest known being those as of Sept. 1, 1937, when they were officially estimated at 10,760,000 barrels.

A completely equipped refinery of 10,000 barrels daily capacity is located at Cushing, Oklahoma, in the heart of the mid-continent area. In addition, the company operates under lease a 4,000 barrel daily capacity cracking plant. About 55% of total refinery requirements is provided by the company's own production and the balance is purchased. Deep Rock manufactures a full line of petroleum products which are marketed through more than 1,300 distributing outlets. These products are sold under the Kant Nock trade name for gasoline and Deep Rock for other products.

On March 2, 1933, this company, then controlled by Standard Gas & Electric Company, went into receivership. A long train of litigation ensued, which was ended on Feb. 27, 1939, by a decision of the U. S. Supreme Court. This decision reversed both a District Court and a Circuit Court of Appeals. Both the latter had approved and confirmed a compromise of certain claims of Standard Gas & Electric against Deep Rock and a plan of reorganization based on this compromise. The U. S. Supreme Court decision eliminated Standard Gas & Electric, together with its claim for $6,129,000, from participation in the reorganization which was finally consummated and put into effect on May 1, 1941.

The present 12-year 6% sinking fund debentures were given to holders of the old 7% convertible notes together with cash and new common stock. By this plan, the debt of the company was reduced from $10,000,000 of 7% notes to $5,500,000 of 6% debentures. The previously outstanding preferred stock was eliminated by the issuance of new common stock to preferred stockholders, the old common stock owned by Standard Gas receiving no consideration. At the present time, the company's capitalization consists of $5,487,000 of the 6% debentures and 399,295 shares of common stock.

The net result of the reorganization has been principally the reduction of the extremely burdensome debt and the elimination of the inordinately heavy advances due to Standard Gas while that organization was in control. Prior to the reorganization, interest on the old 7% notes and interest due on advances from the parent company usually ran well over $1,000,000 annually. On the present 6% debentures, interest at the maximum will be $330.000 before the sinking fund operates. This sinking fund provides that 50% of net income, as defined by the indenture, be set aside out of previous year's earnings for purchase at not more than par or by redemption of debentures. Dividends cannot be paid until this provision has been made nor can dividends be paid except from earned surplus accumulated since Jan. 1, 1940.

The latest complete balance sheet, as of April 30, 1941, the day before the plan went into effect, showed total assets of $16,887,000, of which net plant represented $8,434,000 after depreciation reserves of $12,737,000. Net current assets amounted to $5,497,000, or just about equal to the principal amount of debentures now outstanding. Total current assets of $8,268,000 included $3,777,000 of cash, $1,479,000 of trade receivables and inventories of $2,966,000. Cash well exceeded total current liabilities of $2,770,000. Current ratio was 3 to 1. At Oct. 31, 1941, the company reported that net current assets had increased to $5,976,000 from $5,497,000 reported at April 30.

Since May 1, 1941, the date of reorganization, Deep Rock's earnings have been extremely good. For the six months ended Oct. 31, 1941, sales were running at an annual rate of $18,400,000, the best level since 1930. The following summarizes the income account for this period:

Sales, etc.	$9.191,307
Cost & expenses	7,541,762
Deprec. & depletion	502,207
Operating profit	$1,147,338
Other deductions	161,402
Debenture interest	164,225
Balance	$821,710
X Charges earned	6.00

The importance of the reorganization cannot be emphasized too strongly in that it effected the removal of Standard Gas from control and consequently permits the company to operate in an efficient manner. If earnings continue at a good level for the next year, as it is expected that they will, it seems plausible to presume that these debentures could be refunded on a more attractive interest cost basis to the company. Even without this possibility being realized, however, the bonds are believed considerably underpriced at current levels. In addition, they produce an extremely liberal yield.

Expenses Vs. Prices

The following excerpt from a letter recently received by the "Financial Chronicle" needs no further comment:

"Just asked for price of five thousand small business printed envelopes.

"I bought some June, 1940, at $5.95 for the lot; September, 1941, at $6.20 for the lot; but on Jan. 7, 1942, $9.50 for the lot is asked by the same dealer.

"Expenses go up this way but don't dare raise prices on securities for profits or you will go to jail."

Merck & Co., Inc.
(common & preferred)
American Airlines, Pfd.
World's Fair 4s, 1941
Merrimac Mfg. Co.
United Cigar-Whelan
Evans Wallower Zinc
Mexican Internal & Ext'l Bonds

M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Governors Of Stock Exchange Firms Ass'n Holds Quarterly Meeting In Chicago

The Board of Governors of the Association of Stock Exchange Firms held its first regular quarterly meeting since the recent completion of its reorganization. The meeting was held in the Board of Governors' room of The Chicago Stock Exchange.

Twenty-eight of the thirty governors of the Association of Stock Exchange Firms attended, those present being: George E. Barnes, Wayne Hummer & Co., and Arthur F. Lindley, Clement, Curtis & Co., of Chicago; Wm. B. Haffner, Wilcox & Co., Eugene Barry, Shields & Co., Herbert F. Boynton, F. S. Moseley & Co., Gardner D. Stout, Dominick & Dominick, George H. Walker, Jr., G. H. Walker & Co., Sherman M. Bijur, H. Hentz & Co., George R. Kantzler, J. E. Devon & Co., J. Gould Remick, Evans, Stillman & Co., Gilbert U. Burdett, Laidlaw & Co., Harold T. Johnston, James H. Oliphant & Co., Thomas W. Phelps, Francis I. du Pont & Co. and Chisholm & Chapman, Jacob C. Stone, Asiel & Co., and Homer A. Vilas, Cyrus Lawrence & Sons, of New York City; and J. C. Bradford, J. C. Bradford & Co., Nashville, Wm. G. Lerchen, Wattling, Lerchen & Co., Detroit, Frank E. Baker, Baker, Weeks & Harden, Philadelphia, John E. Parker, Auchincloss, Parker & Redpath, Washington, Wm. J. Fleming, A. E. Masten & Co., Pittsburgh, Harry W. Sack, Strassburger & Co., San Francisco, George Storer Balwin, Burr, Gannett & Co., Boston, Wm. Wymond Cabell, Branch, Cabell & Co., Richmond, J. Gates Williams, Francis, Bro. & Co., St. Louis, D. J. Bogardus, Bogardus, Frost & Banning, Los Angeles, Springer H. Brooks, Piper, Jaffray & Hopwood, Minneapolis, Malon C. Courts, Courts & Co., Atlanta, and Latham W. Murfey, Curtis, House & Co., Cleveland. James F. Burns, Jr., Harris, Upham & Co., President of the Association, presided.

Emil Schram, President of the New York Stock Exchange, at whose suggestion the Association of Stock Exchange Firms was recently reorganized on a nationwide basis, also attended the meeting and took part in the proceedings. Mr. Schram, in an informal address discussed capital gains taxes as "revenue-preventing" rather than "revenue-producing".

The Governors of the Association discussed their proposed activities, including the expansion of the Association's service to its members and the broad public informational program which is contemplated. Reports were made by various committees, including one by the Committee on Insurance which at the present time is seeking, in cooperation with underwriters, to develop a surety bond covering possible destruction of securities by enemy action.

Steps looking to a more active participation by the various units of the securities industry in the defense bond campaign were discussed. The facilities of the New York Stock Exchange and of the Association of Stock Exchange Firms have been placed at the disposal of the Treasury Department.

The Governors of the Association decided to hold their next meeting in Nashville.

The Governors of the Association were the guests of the Chicago Association of Stock Exchange Firms at a dinner at the Mid-Day Club following the meeting.

Panama Coca-Cola Bottling Offering

First manifestation of the investment relations between investors in the United States and private industry in neighboring republics in recent years will be the flotation in the American market today of the capital stock of Panama Coca-Cola Bottling Company.

The public offering will consist of 33,750 shares of new $1 par value common stock of the company, a Panamanian corporation dating from 1913. The offering represents what is believed to be the first equity financing here for a foreign industrial since passage of the Securities Act. Elder & Company, New York Stock Exchange firm with offices also in Chattanooga, Knoxville and Nashville, is offering the shares as agents, at $12.50 per share.

This financing will reimburse the company for capital expenditures made during 1939 and 1940 for plant and equipment costing in excess of $230,000 and for stock that it purchased and retired at a cost of $169,000. It will also provide additional working capital.

In the first seven months of 1941 gross sales were $617,513 and net profit $168,666. The management has expressed its intention of placing the stock of the company on a regular quarterly 30 cents per share basis.

SEC To Be Moved To New Quarters In Phila.

Formal order has been issued directing the removal of the Securities and Exchange Commission to Philadelphia and transfer of the records is expected to begin as soon as possible to provide urgently needed space for the expanding defense bureaus in Washington, D. C.

Financial and other interests in New York City had requested the removal of the Commission to New York, as the logical site for the SEC, but there was insufficient political support to carry the suggestion.

Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL and FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

Volume 155 Number 4033 New York, N. Y., Thursday, January 15, 1942 Price 60 Cents a Copy

On The Foreign Front

European Stock Markets

Good markets remain the rule in London trading in securities, notwithstanding the disturbing effect of war reports from the Far East. Momentary unsettlement developed for a time, early this week, as the Japanese swept forward in Malaya. Tin and rubber company shares naturally were affected adversely, but the market otherwise was well maintained. Entrance of the United States into the war and the excellent progress of the Russian and Libyan campaigns overshadow the Far Eastern incidents.

Gilt-edged securities advanced slightly late last week, and touched new highs for the war period, on the London Stock Exchange. Reinvestment of year-end payments occasioned some of the buying. Anglo-Iranian and Mexican oil issues were particularly in demand. Industrial and home rail securities showed strength Tuesday and again yesterday.

The Continental European markets were dull in recent trading, according to the meager reports available in these war times. French budgetary estimates suggest tremendous costs of government, but tax receipts also are advancing. Demand for securities exceeds the supply in French markets, but strict regulations prevent runaway markets. Events are obscure in the enemy markets of Germany and Italy, and no recent reports are available respecting the Amsterdam Bourse.

American Strategy

Some of the main strategical principles motivating the Washington leadership in this World War were disclosed, Monday, by Secretary of the Navy Frank Knox, who necessarily spoke with the full authority of the President and presumably also with that of Prime Minister Winston Churchill. Developing a theme set forth by President Roosevelt in his message on the State of the Union, Mr. Knox insisted that Hitler and his German Nazis are the chief enemies and must be defeated first. "That done, the whole Axis fabric will collapse," he added.

The speech obviously was intended to allay the restlessness caused by the Japanese gains in the Far East, and to answer the popular question as to the whereabouts and the activities of our Pacific Fleet. The principal task of our Navy, said Mr. Knox, is to keep open the sea lanes between the United States and Great Britain, and thus contribute to the defeat of Hitlerite Germany, "our greatest enemy." Favorable and dramatic developments of full-scale American naval action in the Pacific are not to be expected now or in the near future, he said. The speech by the Secretary was delivered before the annual United States Conference of Mayors, in Washington.

Although an early and conclusive show-down with the Japanese Navy is not to be expected, owing to elements of time, distance and the distribution of our forces, it must not be assumed that the Pacific Fleet is idle, Mr. Knox declared. The Fleet will be heard from again and again, when and where strategic considerations dictate, he added.

Germany brought Japan into the war and sought by this means to divert the attention of America and Britain from the Atlantic, said Secretary Knox, who maintained that the "coolheaded leadership" of President Roosevelt kept us from the "danger of action out of the excess of righteous anger." He emphasized again and again that Japan and Italy are secondary problems and that our first aim must be to destroy Hitler. Lack of public disclosure of what he described as the successful operations of the Navy was attributed by Mr. Knox to the need for military secrecy.

Philippine Defense

Sanguinary fighting continues between our forces under General Douglas MacArthur and the far more numerous Japanese invaders

(Continued on Page 220)

FROM WASHINGTON
AHEAD OF THE NEWS

There is unquestionably an oversight made in all of these movements to send ciggies to the soldiers in the field, give hot coffee to the men on guard. Tom Dewey, this writer thinks, should reform his USO with a view to helping the embattled forces of the New Deal-CIO and those of the OPM. Washington has been through an unusually cold spell and these men have been out there fighting in the streets poorly clothed, poorly fed and at no time have I seen a pretty lass walked up to one on either side and offer a hot cup of coffee. The point is that these men are fighting here as intensely as those at the front without any medals being bestowed upon the heroes; without, in fact, any proper appreciation of the blood they are letting.

The appointment of Donald Nelson as the so-called Overall Minister of Production is a tremendous victory for the New Deal-CIO legions. They have long been playing him and Bill Blatt against Knudsen. And Nelson and Blatt, have in turn, been playing ball with them. Nelson, for example, sided with Leon Henderson months ago in the latter's insistence that automobile production should then and there be cut down. He has, as a matter of fact, been most critical of American industry's war effort. Presumably now that the Leftists have succeeded in placing him over Knud-

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THE FINANCIAL SITUATION

Although action remains (at press time) in the "I will establish" status with many important particulars still undisclosed, it would appear that the President is at long length moving in the right direction as concerns our war production program. Donald Nelson, a business man of established ability, will, according to official announcement, be given responsibility, and apparently corresponding authority, in all matters that have to do with procurement and production. A number of questions of the first order of magnitude remain, as, for example, the extent of Mr. Nelson's control of appointments, which is of the utmost importance, and the degree in which the President himself is prepared to refrain from interference, but the action now promised affords ground for strong hope that this phase of our effort will be much better managed than in the past.

Other official disclosures at the White House concerning the prospective appointment of "umpires" in the persons of such figures as Messrs. Hughes, Willkie, Farley and Smith, to function in some not fully disclosed way with the newly appointed War Labor Board, leads to hope that something of real value may come of the activities of this oversized and strangely constituted body. Again further clarification of plans must await developments, but here again also one is entitled to hope for better things than seemed to be in prospect as late as a day or so ago. All this, as far as it goes, is to be set down on the credit side of the ledger.

We had made our defense New Year's resolutions, or had them made for us by the President. The budget message

(Continued on Page 220)

We Must Indeed!

When supreme and unquestionable authority is vested in one man or a small group of men both in Governmental and economic affairs, and when all others are forced to obey their orders promptly and without question, you get results, particularly under modern industrial developments. Nazi and Japanese successes in the war to date confirm the point. They show none of the stumbling hesitancy which is too often associated with the processes of democracy.

The efficiency argument gains added weight for many from the Russian role in this war. Russia happens to be fighting on our side and she is doing a magnificent job. In land warfare, her gallant army has been more effective against the Nazi juggernaut than any other.

People realize that the Soviet successes are due in part to the fact that the Russian military and economic structure is built on a state-controlled economy. And they ask themselves, reluctantly perhaps, but surely: Is that the only way anything gets done?

It is this doubt that democracy must answer. To free minds, there are things more important in civilized life than efficiency. But when those things are threatened, independent, self-governing people must make themselves function efficiently to meet the danger.

We have been slow to realize the imminence and the extent of our danger. Before Japan attacked us there were literally millions who hoped that Communist Russia's stiff resistance would save us the necessity of fighting at all. And even today there are still many who fatuously believe we need only defend ourselves in the Pacific while Russia destroys nazism.

But democracy cannot be saved by the armies of Russia. Democracy must be saved by the democracies themselves. Let us remember that to be effective, not alone at the peace table but in the reconstruction of the world after the war, democracy must be effective in the war. Leadership does not spring from evasion and petty self-protection but from work and sacrifice and success.

Therefore, those who fear communism most should be the most anxious to see the fighting forces of the democracies on every front in the world. In other words, in order to survive, the democratic world must bear the brunt of winning this war.—Wendell L. Willkie to the United States Conference of Mayors.

One may feel disposed, as do we, to question Mr. Willkie's general doctrines at certain points without failing to feel strongly that his main conclusions here are both sound and urgent.

We commend them heartily to our readers.

NY Reserve Bank 1941 Earnings Lower

Net earnings of the Federal Reserve Bank of New York, after all additions and deductions, amounted to $3,302,000 in 1941, which compares with net earnings of $9,555,000 for 1940, it is shown in the Bank's 27th annual statement, issued on Jan. 9 by Allan Sproul, President. The total earnings of the Bank for 1941 are reported at $11,415,000, contrasting with $12,985,000 in 1940, and the net expenses during the latest year were $7,975,000, against $7,341,000, leaving current net earnings in 1941 of $3,440,000, compared with $5,644,000 in 1940. Total additions to current net earnings in 1941 only amounted to $395,000, as against $4,046,000 in 1940, due to much smaller profits on sales of U. S. Government securities.

The total deductions from current net earnings in 1941 were $533,000, compared with $135,000 in 1941. This was accounted for by a special reserve on bank premises of $480,000, which was not provided for in 1940.

From the net earnings for 1941 the Bank paid dividends of $3,098,000 and transferred $204,000 to surplus under Section 7 of the Federal Reserve Act. A year ago the Bank paid dividends of $3,065,000, transferred $6,529,000 to surplus and transferred $39,000 from surplus under Section 13-b of the Reserve Act.

During 1941 total assets of the New York Federal Reserve Bank decreased to $9,148,572,000 on Dec. 31 from $10,719,915,000 on Dec. 31, 1940. Reserves decreased during the year to $8,212,096,000 from $9,809,823,000, while holdings of U. S. Government securities at the end of 1941 amounted to $592,196,000, comparing with $645,355,000 on Dec. 31, 1940. Total deposits on Dec. 31, 1941 were $6,642,557,000, against $8,814,760,000 at the end of 1940.

The following is the profit and loss account of the Bank for 1941 in comparison with 1940, as contained in the annual statement issued Jan. 9:

PROFIT AND LOSS ACCOUNT
For the calendar years 1941 and 1940
(In thousands of dollars)

	1941	1940
Earnings	$11,415	$12,985
Net expenses	7,975	7,341
Current net earnings	$3,440	$5,644
Additions to current net earnings:		
Profits on sales of U. S. Gov. Securities	$386	$3,408
All other	9	638
Total additions	$395	$4,046
Deductions from current net earnings:		
Losses and reserves for losses on industrial advances (net)	$50	$103
Special reserve on bank premises	480	----
All other	3	32
Total deductions	$533	$135
Net earnings	$3,302	$9,555
Dividends paid	$3,098	$3,065
Transferred to surplus (Section 7)	204	6,529
Transferred from surplus (Section 13b)	----	—39
Surplus (Section 7) beginning of year	$56,447	$53.326
Addition as above	204	6,529
	$56,651	$59,855
Transferred to other capital accounts	----	3,408
Surplus (Section 7) end of year	$56,651	$56,447

Harrison Is Chosen To Advisory Council

The Board of Directors of the Federal Reserve Bank of New York on Jan. 8 selected George L. Harrison, President of the New York Life Insurance Co., New York City, to serve during the year 1942 as the member of the Federal Advisory Council from the Second Reserve District. Mr. Harrison, a former President of the New York Reserve Bank, held the post during the year 1941.

Editorial—

Federal And State Finance

Violent adjustments can be predicted with absolute certainty in the interrelations of Federal Government finance with the revenue and expenditure policies of the State Governments and their local subdivisions. Some modest attempts to cushion the blows already are being made by a few forward looking State officials. It is clear that this endeavor ought to be speeded and integrated in reasonable measure with the Federal program, which necessarily takes first place in times of war and national emergency.

The budget messages which recently have been presented indicate starkly the distress which is sure to be visited upon State and local units of government, as well as upon all individuals. There is no help for this since the country is at war. The lesser governmental units will have to trim ship most drastically, to avoid their own shipwreck in the unprecedented storm of $77,000,000,000 of projected war outlays, $9,000,000,000 of additional Federal taxation, and a progressive eclipse of everything that is unrelated to the immediate war effort.

Some degree of cooperation between Federal and State finance officers is required to meet this situation, but it must be of a nature to preserve the States and assure their sovereign rights. The prevailing tendency in Washington is to strip the States of some of their most important attributes, notwithstatnding the fact that impairment of our American system is quite the reverse of our war aim. In the confusion and strain of the war, there is obvious danger of an imperious assumption of Federal control over the States, as against the cooperative efforts which are advisable.

Several studies currently are in progress with the ultimate aim of coordinating Federal and State taxation programs. But these are leisurely, peace-time studies, which may or may not reach conclusions while the emergency is here. If they do present their conclusions before the war ends, the basis of the findings possibly will be quite at variance with conditions then existing.

What must be avoided at all costs are such proposals as Mayor F. H. LaGuardia, of New York City, was accustomed to make up to a year ago. Mr. LaGuardia stoutly urged such dangerous expedients as Federal collection of income and other levies which overlap in the Federal and State schemes, the participation of the States then to be doled out to them by the Federal Government. There is no broader avenue than this toward centralized and even absolute government in the United States, and away from the concept of divided and delegated powers upon which the dual governmental system of the country was founded.

Stern and even stringent economy will have to be practiced by the States and their local government units, as the first requirement toward avoiding economic collapse. Fortunately, this is recognized by almost all finance officers of the 48 States and their colleagues in the local units. Governor Herbert H. Lehman expressed this conclusion ably in his annual message to the Albany Legislature, and the leadership of the Empire State assuredly will be followed by others. State taxpayers are calling loudly for economies and, it is to be hoped, will give the politicians no rest until the strictest economy is achieved.

Chairman Robert Doughton, of the House Ways and Means Committee, emphasized the need for State and local government economy, at the turn of the year. He called for reductions of $2,000,000,000 to $3,000,000,000 annually in the expenditures of such government units, and the elimination of some overlapping levies in the State taxation schemes. This is good advice, which cannot be placed in effect too rapidly.

New factors already are appearing which necessarily will cut sharply into State and local revenues from existing tax laws. One of the Office of Production Management officials expressed the private opinion, some days ago, that the use of automobiles may be cut almost in half by the end of this year, under the ban on tire sales and private purchases of new cars. The effect of such a development will be so drastic upon State revenues as to necessitate sharp downward revisions in expenditures. Forehanded action to meet this and other threats to State and local revenues clearly is preferable to bankruptcy.

A clear recognition is needed of the alternating tendency of the Federal and State financial requirements to assume primacy in times of stress and in times of easy prosperity. In war and depression periods, all experience of recent decades shows, the Federal Government tends to shoulder the State regimes out of the way and relegate them to comparative unimportance. The States assume their proper place in the scheme of things principally during years of peaceful progress. Although the States now are being submerged, this submergence must not be carried to the point of enervation or political impotence.

Editorial—

Confusion on the Potomac

"In Washington," writes Mr. Carlisle Bargeron, in his book, published under the above title only a little while before the Japanese attack upon Pearl Harbor, "men have one idea affecting the lives of millions one day; the next day they have another one. People are conceived to be but pawns on a chessboard, to be moved about at will."

In truth, a comprehensive view of the essential Washington, that is to say, of the central but by no means homogeneous group engaged in manipulating, or attempting to manipulate, the country's destiny, shows that it has become a perfect Paradise for two classes of men and women. These classes are: those among the officeholders and behind the officeholders who find themselves briefly clothed with authority to push unofficial citizens around, and take delight in doing so and the heterogeneous body of hangers-on typical of every capital in the world whose lucrative trade it is to influence, or pretend to influence, the officeholders. War, preparations for war, even rumors of war, invariably, in their respective degrees, bring both classes to the front, and, at the same time, eliminate the checks which, when conditions are more normal, limit their activities and their effectiveness. Mr. Bargeron's book, is necessarily too short to cover exhaustively the entire field of the actions and interactions of the amazing bureaucracy, with its self-constituted auxiliaries of sutlers and camp-followers, which the New Deal has created and maintains. Nevertheless, it does present a selected series of episodes and portraits, which would all have been amusing were the implications less serious, in their entirety indicating conditions which cannot be otherwise than strongly inimical to efficiency. The work is convincingly supplied with dates and details and sufficiently documented. Upon the whole, the impression produced by its careful perusal is that of administrative headlessness and confusion insistently crying, by its observable incidents and consequences, for that unity and coordination from the top downwards, which can be supplied only by a wise executive who is willing to trust a great deal to subordinates and to implement their competence and confidence by delegations broadly commensurate with their capacity and with the results demanded. In Washington, as it appears, there is now nothing of the kind, nor is there the strong hand continuously applied which would restrain conflicts that, within the executive itself, frequently extend beyond aggravated words to deeds of direct and demoralizing interference.

Doing The Country Good

Thomas Gardiner Corcoran, otherwise "Tommy," erstwhile friend and protege of Associate-Justice Felix Frankfurter, figures prominently in Mr. Bargeron's pages because he is one of the latest recruits among the men who are energetically increasing the costs of the war by doing very well as highly paid representatives of men and corporations yearning for fat contracts—and getting them. Not so long ago he was one of the lesser lights of the New Deal, drawing a small salary, and improvising novel expedients of legislation, while busily finding Government jobs for bright youths who might remain grateful and serviceable. Later he succeeded Raymond Moley, when official policies exceeded the speed-limit of that original brain truster's mild radicalism, as head draftsman of Presidential speeches, and soon became the chief engineer of the 1938 Purge that failed to purge. After 1940, many New Dealers thought he could be used to control the ex-Republican, Secretary of the Navy Frank Knox, and tried to promote his designation as Assistant Secretary of that Department, but they were out-generaled and now, in the political discard, he appears entirely contented. Quite well he might be. He retains familiar entree of the Departments, where men in numrous key positions remember that to him they owe their employment. A Congressional Committee, not excessively unfriendly, has recently advertised his potent activities in aid of contract-seeking employers by investigating them, while rumor attributes to him the receipt of fees ranging all the way from a meagre $5,000 to a liberal $200,000, and many of them. Obviously, if such fees are paid by contractors, they have to be met out of gains from their contracts.

Not all the representation in contractual matters growing out of expenditures of billions for warfare is by briefless barristers formerly hired in the executive departments. Millard Fillmore Caldwell, Jr., quaintly named for a Southern politician, represented the Third District of Florida in the House of Representatives, from 1933 to January, 1941. Claude Denson Pepper, now, according to Mr. Bargeron, "the most vociferous of the President's war supporters" and "the most unpopular member of the Senate," was once an associate of the Florida law firm of which Mr. Caldwell is at this time a member. With the aid of Senator Pepper and the Government's procurement officer whom the Senator persuaded, a client of Mr. Caldwell's, not the lowest bidder for paving materials, received an order for an extra quantity equal to half the asphalt required in the construction of the Elgin Training Field. And the procurement officer who accorded the favor was advanced in Government employment. The Committee on Military Affairs of the House of Representatives did not like these apparently related manifestations. Its sub-committee published a report, naming the kindly officer and saying:—

> ". . . He was aware of the fact that Senator Pepper, who had nominated him for a better job, was desirous of having an award made to. . . . The Special Committee most strongly deplores the fact that any member of Congress would permit, even by inference, an employee of the Government to believe that his promotion to a better position was contingent upon the securing of a Government contract by a particular corporation."

Similar machinations have seemed, to such accredited investigators as Thomas L. Stokes, Jr., of the Scripps-Howard Newspaper Alliance, and Albert J. Engel, Member of Congress from Michigan, to have had much to do with increasing the cost of Camp Blanding, Florida, from the estimated $8,796,180 to the ultimate actual cost of $27,740,214. Unfortunately, in such matters the mere taxpayer has no redress. He cannot demand a hearing. He has no standing in any court to complain that the billions obtained from him and upon his credit are largely swelled as the consequence of undue influence and improper complaisance in high office. Even his informal complaints are apt to be submerged under suggestions that his patriotism is lukewarm or he would not speak of "silly dollars" after the mischances of Hawaii and the heroism of Wake Island.

Pushing

Persons with congenital appetites for pushing other people around could scarcely enjoy more delightful opportunities than those, among many others, afforded by imaginary or "relative" gasoline shortages, priorities' ratings, tire-rationing, and price-control. Equally gratifying to such impulses it must be to proclaim arbitrary standards of secular time, against which the sun at its daily meridian must regularly shout the short and ugly word. This is not to suggest that such extraordinary expedients may not be necessary and desirable, when it has been determined to carry the munitions and implements of warfare to the four quarters of the globe and to deliver war itself within the boundaries of both European and Asiatic nations. The necessities, in such circumstances, may be pressing and, when they are, they must be paramount above every impulse of individualism. Yet it is not unthinkable to desire that the individualist impulses of those who rule might be limited by discretion and by determination to indulge the normal freedoms where freedom could not contravene public interest. Pleasure in pushing others around, when such pushing is unnecessary and gratuitous, is a mild but recognizable type of sadism. One difficulty of its indulgence, in the dealings of any organization with outsiders, is that irrespective of other outlets it is almost certain to become prevalent within the organization itself. When that happens the very acme of friction-making internal demoralization and consequent inefficiency has about been attained.

Almost every page of Mr. Bargeron's treatise affords some striking illustration. When Leon Henderson, in the first flush of authorization to do whatever he could as the potent chief of an office of Price Administration and Civilian Supply, aspired at once to out-manage the Office of Production Management, and especially William S. Knudsen, one of its two nominally co-equal heads, there was turmoil. When the President finally got around to this particular instance of disorder his improvisation to meet it was to split Mr. Henderson's jurisdiction into two parts and place him at the head of both of them. Our author does not affirm that it was effective. Space is too limited for citations of even the principal among the almost innumerable instances of internal friction of similar character that are described. The inquiring reader is therefore referred to the book itself for whatever further information concerning these interecine conflicts he may desire. He will there find that Mr. Ickes pushes against Mr. Hopkins, who will not push back very visibly, but still lives in the White House and appears always to function as Next Friend. Mr. Eccles pushes Mr. Morgenthau, who does push back sporadically and sometimes yields to an impulse to push Mr. Jesse Jones, who seems not to feel the impact but continues quietly upon his way of expanding and recognized strength. Mr. Murphy, who would not push the sit-down strikers in the automobile works in 1937 and was pushed out of the Governorship of Michigan in consequence, succumbed to the pushing of Mayor Hague and Robert H. Jackson, the latter more belligerent then than as a conscientious objector in 1917-1918, and after both had been pushed upstairs to the Supreme Court and met as Associate Justices some memories of the pushing seemed still to rankle. All the New Dealers push at all the dollar-a-year representatives of demonstrated capacity and achievement in production who had to be called into the councils of governmental direction when the problems of rapid planning and production passed beyond mere academic comprehension. And when they are not too busily engaged in struggles with these intellectual and industrial elders their internal rivalries impel them to push one another. Also, when he could, in his effusively friendly and highly Presidential manner, Mr. Roosevelt pushed Mr. Baruch, whose discreet reactions rarely were manifest—in public. It is all a fine phantasmagoria of mushroom bureaucracy.

And Concerning Bureaucracy

Of bureaucracy, either in the abstract or in the concrete, as he has observed it in Washington, nothing more forcible or more in accordance with the facts has ever been written than by Mr. Bargeron, in the sentences with which this discussion shall close. They are:—

> "In Washington in 1941, men were varyingly classified as New Dealers, Liberals, Conservatives, Left-Wingers, and Communists, instead of Republicans and Democrats of the past. . . . It really made very little difference. The over-all term 'bureaucrat' would have been more informative. . . . Just as doctors, lawyers, actors, scientists, and the like want to advance their professions, there was never a time when a Government bureaucrat . . . did not want to increase his stature by adding to his authority and importance, and to do this he must enforce more government on the people . . . he was for entrenching himself in authority and increasing that authority. This meant, of course, a tightening control by the Government over people, and whether the control meant socialism, fascism, or communism, was largely rhetorical."

The State Of Trade

Business activity in most quarters showed moderate further gains for the week, with some industries showing sharp rebounds from the relatively light holiday setbacks.

A relatively high level of retail spending throughout the nation was reported by Dun & Bradstreet, who placed the turnover at 6 to 11% above the level of a year ago. The Federal Reserve's summary of department store sales for the week recorded a betterment of 27% over a year ago.

A recovery in power production following the seasonal slump over the holiday week was reported by the Edison Electric Institute, with the week's gain amounting to 1.6%, which brought the national total to 3,286,705,000 kilowatt hours, compared with the all-time high established in the week ended Dec. 20, 1941, of 3,495,140,000 kilowatt hours. The improvement over the corresponding period last year was equivalent to 15.5%, against a gain in the previous week of 17.3%.

Reflecting substantially higher loadings of miscellaneous freight and coal, railroads loaded a total of 674,374 cars of revenue freight in the week ended Jan. 3, the Association of American Railroads report, representing a gain of 67,848 cars, or 11.2% over the previous week. However, it was estimated that the gain was somewhat less than would normally be expected at the turn of the year.

Steel production in the United States is scheduled this week at 97.8% of capacity, equal to 1,615,800 net tons for the week, the American Iron and Steel Institute reported yesterday. Output last week was on a basis of 96.4% or 1,592,700 tons. A month ago the rate was 97.9%, equal to 1,617,500 tons a week, and a year ago operations were on a 95.9% basis or 1,547,700 net tons.

There was an increase in automobile output for the week, but these figures have less significance as motor production will be more restricted as time goes on. Last week's output is placed at 60,190 cars and trucks by Ward's, against 18,535 a week ago.

According to advices from Detroit, the automobile industry will be in virtually full operation this week for the first time in a month. The return of between 200,000 and 300,000 workmen to their jobs started last week, and the early part of this week every passenger car plant will be in production—starting the last three weeks of grace before extinction.

A week after the big conference in Washington there is beginning to be noticeable impatience in industry circles, advices state. The industry is ready and waiting, it is said, but so far has received no general "marching orders" such as were indicated in the Army-Navy announcement of $5,000,000,000 in new orders "immediately."

Week-end disclosure of large additional war orders for General Motors and Ford did little to allay the general criticism. Mere multiplying of orders does not solve the problem, it was said. There is still no word as to a master plan for pooling of all facilities to avoid long idleness for men and factories, observers state.

Shocks of dislocation emanating from the stepped up program of war production are passed on from industry to industry through many channels. They are beginning to reach points far remote from the centers of armament production, a survey conducted by the "Journal of Commerce" showed.

A matter that came in for no little consideration this week was the broad buying movement in commodities, touched off by the action of the Senate in adopting a price control bill which will place farm products in a favored category not granted to any other products.

The action of the Senate is regarded as one of the black spots on the conduct of the war, demonstrating as it did that the powerful farm block within the Senate is determined that while the rest of the country sacrifices to finance the war their own constituents shall enjoy a livelihood even better than their very profitable years of 1910-14.

It is pointed out that if any serious attempt is to be made to control prices and keep the ultimate consumer from being ground to pulp, certainly the effort must include the two most important factors which go to make up prices—namely, the cost of farm products and the cost of labor. Yet these two factors are continually ignored, largely because of the voting power mustered by each of the groups concerned.

Rising momentum of the war effort is causing drastic changes in many phases of business. It is reported that wholesale markets, opening for spring ordering, found sellers cautious in accepting forward business. Retail trade encountered rationing as controlled selling of autos came along. Resumption of the sort of buying rush that occurred during August and September is now eliminating the usual lag in trade that occurs after the holiday season, observers state. Buying, furthermore, is reaching such proportions that earlier estimates of first quarter retail trade are being revised sharply upward.

Advance buying by retail consumers apparently was touched off by the order on tire rationing and the realization that rubber products may be hard to buy before the year is over. The advance buying of rubber sports wear, rubber footwear and similar items, however, has spread to woolens and such staple items as sheets and pillowcases. Considerable buying of men's clothing is in progress as well.

It is pointed out that taxes and bond purchases by individuals may take an estimated third of the national income during the fiscal year beginning in July. This great diversion of spendable income to the war effort will, of course, have a far-reaching effect on the course of retail trade. To the Federal taxes and bond purchases, of course, must be added municipal and State taxes which reduce funds available for spending further. National income during the 1943 fiscal year should reach an estimated $110,000,000,000, informed sources state.

Office Buildings Report 87.9% Occupancy Now

Office buildings in leading American cities are better rented now than in several years, according to survey by the Mortgage Bankers Association of America made public Jan. 11 which shows that occupancy in 53 leading cities now averages around 87.9%. This compares with occupancy of 85.14% shown by another national survey as of Oct. 1 and 83.92% on May 1, 1941 reported by the same group. A Mortgage Bankers Association survey made at the end of 1940 reported an average occupancy of 87% for 69 cities. "The data reflects increased business activity but also indicates that there is still a good deal of vacant office space over the country," said Frederick P. Champ, Association President. He likewise said:

> It seems certain that during the war the available office building space will not be increased much except possibly in a few cities like Washington. Hence occupancy ought to remain about where it is now or increase—unless, of course, the war, by necessity, closes some smaller businesses.

Stevens Resigns As N. Y. Reserve Bank Director

Robert T. Stevens, a Director of the Federal Reserve Bank of New York since 1934, has resigned as a result of his having been called into active service with the Army. The bank's Board of Directors accepted the resignation at a meeting on Jan. 8. Mr. Stevens, who has been President of J. P. Stevens & Co., Inc., since 1929, was last elected as a class B director of the Reserve Bank for a term of three years ending Dec. 31, 1942, by member banks in Group 3, which consists of banks with capital and surplus of $300,000 and less. A special election will be held shortly to elect a director to fill the unexpired portion of Mr. Stevens' term.

NYC And I Association Favors Withholding Tax

A withholding tax at a rate of not more than 5% upon a limited amount of income, no increase in social security taxes and further drastic reductions in non-defense expenditures, were recommended last week by the Commerce and Industry Association of New York in a letter to the Senate and House Finance Committees. The letter, signed by Thomas Jefferson Miley, Secretary of the Association, was based on a report by its Committee on Taxation and Public Revenue of which Laurence Arnold Tanzer is Chairman.

Endorsing the efforts of the special committee headed by Senator Byrd of Virginia which is working on the problem of non-defense economy, Mr. Miley said, "We believe that the reduction program recently advocated by the National Economy League, totaiing $1,783,000,000 might well be used as a good start." Terming the individual income rates imposed by the 1941 Revenue Act as "extremely heavy" the Association declared:

> It would be grossly unfair discrimination to increase them still further without bringing within the scope of the income tax the very large number of people whose incomes have greatly expanded as a result of the defense production.

The Association held that "the heavy increases in corporation taxes and individual income taxes in the middle and higher brackets effectively remove the likelihood of inflationary spending by those dependent upon invested income or upon earned income in all but the lower brackets."

"By far the largest part of the increase in national income in 1941 is going into the hands of persons in the lower income groups," the letter continued, "it is from these groups that the greatest inflationary pressure is coming. The present income tax rates and laws will have little effect upon them." The Association believes that "it would be both sound and equitable to include in the next Federal tax bill a levy upon individual incomes to be withheld at the source." The Association proposes that such a tax would be in the nature of a gross income tax levied at a rate of not more than 5% upon a limited amount of income, adding that: "If a person's income is such that he has to file a return and pay a tax under the present rates, he should be allowed to deduct the amount already paid for the withholding tax from the amount which his return showed was due on his total income." The letter continued:

> In view of the fact that if such a tax were adopted next year, it would be superimposed upon payments of the tax on income earned during 1941, so that, in effect, the income tax for two years would have to be paid in one, fair warning should be given so that taxpayers could adjust their affairs. This warning might well take the form of putting the withholding tax in effect six months after its enactment.

The Association disapproved the suggestion that the proposed withholding tax should include an addition to the social security tax. "No necessity appears for increasing the rate of social security taxes at this time;" the letter concluded, "to increase in this manner the amounts available for Government expenditures under the guise of adding to a mythical 'reserve' for social security would be unsound and deceptive; and to confuse social security with taxation would be mischievous."

THE FINANCIAL SITUATION

(Continued from First Page)

of the President served notice that performance in this case will cost us, in terms of money, larger sums than any man can readily visualize or easily grasp. Magnitudes in both messages were so much greater than any human experience has ever before encountered that the average man was left with a feeling of pride in their very audacity, a vague uneasiness as to the precise meaning of it all as it will affect him, and a slight vertigo induced by the tense drama. It was good "showmanship."

We had, however, still to get down to work to win the war. Evidence aplenty that much remained to be done had come plainly to the surface. The controversy in the motor industry precipitated by the action of certain labor unions in again insisting upon the so-called Reuther plan of sovietizing the plants for the purpose of converting them to defense production was eloquent testimony of a situation still existing five or six weeks after Pearl Harbor. Whether the matter at issue has yet been successfully settled or merely "continued," as the lawyers express it, remains to be seen. The rebellion in the Senate in connection with price control legislation scarcely suggests that the farmers and their soi-disant friends in Congress have given up all ideas of "business as usual."

Such exhibitions as these raise disagreeable doubts as to whether when we get down to deeds, in comparison with which words are of little importance, we may safely assume that we have reached or that we shall maintain that national unity which has been so lavishly promised by so many. In conjunction with a good deal else that has been taking place of late they raised, for thoughtful observers, the disturbing question whether we should ever attain and retain anything closely approaching a unified "all-out" effort in the absence of better leadership than Washington had produced. We still must convince the farmer that he is not sui generis in this land of ours regardless of all the pampering he has been getting. Presumptuous labor leaders still must learn that our defense effort will fail unless the management of industry is left in the hands of those who know how to manage it. If the President either can not or will not perform these essential functions of leadership, and if Congress persists in proceeding with one eye on the war and one on election day, then we had best prepare ourselves for a number of sore disappointments in the months to come.

On The Way?

These are some of the shortcomings of leadership which still remain to be corrected. They are so plain that it is difficult to believe that the rank and file of the American people can not and do not recognize them, so plain that it would appear to be the best of "politics" to correct them with a ruthless hand. Others about equally vital, which are far more difficult to detect or to understand, we may now hope are on the way to correction. They have been swirling about the heads of the innumerable and hopelessly involved agencies in Washington. The public was aware that something was "rotten in the State of Denmark" here, but found it difficult if not impossible to cut its way through the mass of charges and counter-charges of culpability that filled the air. There was but little doubt in well informed minds that lack of organization, want of concentration of authority and responsiblility, and failure by the President to delegate where delegation was plain common sense were at bottom at least one major cause of distress.

For Example

It is this infirmity of management at the top which we must now hope is shortly to be corrected. Mr. Nelson, who is to assume full responsibility under the President for these matters, must carry a terrifying load, which he, or any other man, can carry successfully only with the best of support from the White House. An illustration or two will make clear the nature of the difficulties he must face. It is, of course, known to even the school child that, so far as materials are concerned, metals, their conservation and proper application, have from the first lain close to the heart of our defense problems. In an article entitled "Metals in 1941" written by the Managing Editor of "The Iron Age" and appearing in the January 1 issue of that authoritative publication we find the following:

> Granted, of course, that OPM is staffed with many sincere men, in some instances with brilliant men, and also granted that the metals industry in 1941 was involved in such a train of unforeseen and unsupposed circumstances that no human wisdom could accurately calculate the end. Nonetheless, the basic policy has been to insist on square pegs in round holes; of having a man who knows nothing about a particular metal rule that metal; of sending a plumber to fix a watch. This policy apparently stems right back to President Roosevelt. The result of all this has been primarily one of jackassing in more capacity—of substituting capacity for experience in an industry—of solving the day-to-day problems of a particular metal by half measures or letting them degenerate in chaos. Even today, with the country at war, there has been little or no elevation of men with knowledge of a particular metal to a position of authority in that metal, the result being that certain industrial excesses and selfish practices continue, certain half measures falter along, and large quantities of metal lie idle while machines of war wait. * * *
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> Take, for instance, copper and zinc, two metals which very early went under full priority control. First, fearing a shortage of zinc, industry was urged to switch from brasses to bronzes and silicon bronzes, then in six months there has been a complete reversal, and the urge is now to switch back to brasses to save copper. With no centralized control of zinc consumption, one agency of the Government would demand that galvanizers reduce consumption, or that steel be painted rather than galvanized. At the same time another agency would be recklessly ordering prime galvanized sheets for grain bins, roofing or a multitude of other uses where either wood or uncoated steel would have been satisfactory. * * * At present it is believed there will be enough zinc for essential needs. Now the Government fears a copper shortage sufficient to interfere with the 600,000 tons of cartridge brass planned for 1942. * * * An early OPM order tied up all use of secondary copper while at the same time various war industries still insist on brasses and bronzes so low in lead that scrap copper must be involved in the rank waste of going back through the refinery. Secondary firms are today glutted with copper and can't sell it. Even just a little intelligent effort could force all of the secondary metal into certain applications that have been and are today absorbing large tonnages of virgin copper, thereby releasing the latter for war work that is currently marking time. * * *
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> Right today there is no one in authority in Washington who knows the intricacies of the aluminum industry. At the moment there is a peak stock of aircraft aluminum on hand, and perhaps this has lulled many into a false sense of security. But, by mid-1942 some large aircraft assembly units will be swinging into production, as for instance Ford's bomber plant, and the demands for aluminum will multiply over night. Actually the country may witness the tragic sight of some assembly lines on the slow-down for want of aluminum. * * *
>
> In the secondary field the government has created another of those quaint anomalies that has so many tragic overtones. Secondary melters can only sell their metal for armament uses, which on the whole, blindly refuse to use anything but virgin metal.

And much more of the same order. All this, of course, covers but one small corner of the vast field. Many more materials than are mentioned here are involved, and often the story is similar. Moreover, developments in the Far East during the past few weeks have in a number of instances further confused and worsened the situation. In the field of production, as distinguished from materials procurement and allocation, many problems of a corresponding sort and difficulty are to be encountered. Clearly, Mr. Nelson must have a free hand and a large corps of able specialists to assist him, if he is to succeed.

We must all do our part—and all of us have a part—in seeing to it that he is in a position to get both.

Foreign Front

(Continued from First Page)

in the small corner of Luzon Island formed by Bataan peninsula and the fortress islands in Manila Bay, of which Corregidor is the most important. The battle seems to be regarded by our Washington strategists as a delaying action, since there is little likelihood of reinforcing MacArthur adequately. In the circumstances, the small American units are giving a superb account of themselves.

Since Manila was abandoned and our forces withdrawn for a last-ditch fight on Bataan peninsula, the Japanese apparently have made little progress. Disposing his troops on ground made familiar by war games, General MacArthur has repelled several severe assaults. Intensive preparations by the enemy were followed, Sunday, by the first of these heavy attacks, and fresh drives by the Japanese developed subsequently. Only brief official reports of these actions were issued in Washington, usually to the effect that enemy concentrations were shattered and dispersed by our superior artillery. In the absence of official disclosures as to available manpower, it is to be hoped that the Japanese can be withstood indefinitely, but there is no disposition in Washington to encourage a belief to that effect.

According to Tokio accounts, the enemy is making modest but important progress in Luzon attacks. The secondary naval base at Olongapo was claimed by Japan on Tuesday, and no denial of these assertions was issued in Washington. Control of the air over the Luzon front seems to remain in Japanese hands. The anti-aircraft batteries of Corregidor have taken a heavy toll, however, and bombing attacks on that island have been modified. Mindanao Island appears to be entirely in Japanese hands, with the port of Davao being used as a base for operations

southward against the Netherlands East Indies. Heavy aerial attacks on the Japanese there are reported by American and Netherlands fliers, with a number of Japanese warships and transports hit and damaged.

American submarines now are in the front line of the Pacific struggle, with the Navy Department reporting sizeable sinkings of Japanese cargo ships and transports. Tokio admitted the sinking of a small ship within 100 miles of that Japanese capital, last Friday, but no information is available as to the nationality of the sucessful submarine. Japanese aerial attacks occasioned the destruction, last Friday, of the American merchant ship Ruth Alexander, 8,135 tons, in East Indian waters. Fire of undisclosed origin destroyed on Monday, in Alaskan waters, the Army transport Clevedon, 7,314 tons. Modest and ineffectual shelling by an enemy warship of the small American island of Tutuila, in the Samoan group, was reported on Monday.

China Sea

Throughout the vast and vital China Sea area, which they are obviously determined to control, the Japanese made decided progress in recent fighting, and it will plainly take a long and bitter effort to oust them again. In their thrust down the Malayan peninsula the enemy forces moved with astonishing rapidity toward Singapore. They enlarged greatly their invasion effort in the Netherlands East Indies, and suffered serious reverses only in the interior of China, where the battle for Changsha went heavily in favor of the Chinese.

The struggle for control of the China Sea requires a glance at the map for proper appreciation. The Asian mainland on the west and the string of islands toward the east already afford the Japanese relative safety in their drives southward toward the riches of the Indies. If the current moves against Netherlands outposts and especially against Singapore are successful, the enemy will have a virtually enclosed sea in their grasp. Viewed in modern terms of combined air, naval and land power, such control will be hard to contest, no matter what happens to the European members of the Axis.

The battle of Malaya and the island base of Singapore moved toward a climax, this week, with the Japanese making important gains, but the eventual issue still in doubt. The unfortunate fact must be recognized that the Japanese were underestimated, militarily, and have made remarkable use of their superior numbers. In a series of infiltrations, which may have been aided by some natives, the Japanese steadily marched down the peninsula toward Singapore. Since they started their attack on Dec. 7, they have covered more than half of the 500 miles from the Thailand border toward the great British base.

Brief and inadequate though they are, the official accounts provide a graphic picture of the furious struggle that is moving down the roads and jungle paths of Malaya. Frontal assaults with tanks and other equipment are not the only reliance of the Japanese. Again and again, it appears, the British Empire units gave ground when they found their rear menaced by enemy forces that landed from junks and sampans southward of the main lines, or wormed they way through jungle trails.

Kuala Lumpur, capital of the Federated Malay States and an important rubber and tin center, fell to the advancing Japanese last Sunday. No attempt was made by Singapore or London to minimize the significance of that event, which placed the Japanese within 200 miles of the great base on the Straits of Malacca. Port Swettenham, southwest of Kuala Lumpur, was abandoned by British forces Tuesday, which gives the enemy still another important base for operations. Heavy aerial raids on Singapore were reported day after day, but the growth of British, American, Dutch and Chinese aerial strength in the Far East was attested by steadily greater attacks on Japanese bases and beachheads, both in Thailand and Malaya.

With the Japanese Navy in control of the China Sea and the Japanese air force able to attack ships in the Straits of Malacca, the question now arises whether it still is possible to land sizeable ground fighting units at or near Singapore. The defense of the base possibly depends on this problem. Aerial reinforcements are said to be on their way to Malaya, which is highly encouraging, for control of the air may well decide the fate of European possessions in the Far East, in the end.

Japanese attacks on the great chain of East Indian islands were expanded sharply, this week, and some highly important points fell into the hands of the enemy. The oil port on the Dutch island of Tarakan, off the east coast of Borneo, was captured by the Japanese on Monday, after an intense aerial and naval attack. The small Dutch garrison fought valiantly and destroyed the wells and installations on the island, before retreating to Borneo. If the Japanese have modern equipment, however, they will be able to gain important oil sources soon, at Tarakan and in British possessions on Borneo which previously were taken.

Indicative of the tremendous scope of Japanese ambitions were further attacks, early this week, on the Netherlands island of Celebes. The northern arm of that oddly shaped island, known as the Minnahassa region, was the scene of the attack, and the important town of Menado was claimed by the enemy, Tuesday. This means that the Japanese are moving swiftly against the base of the rough triangle which encloses the China Sea.

That Singapore will be defended to the bitter end, if necessary, is quite obvious, and it appears that arrangements by the United Nations are being made for defense of the main islands of the Netherlands East Indies. Headquarters of the United Nations have been established on Java, the most populous of the East Indian islands. Australian, Dutch and American air squadrons are operating from secret bases on one or more islands, and are assisting other units in Malaya. They are attacking the Japanese sea communications everywhere.

Only in China, however, have the Japanese suffered a serious reverse, since they began on Dec. 7 their effort to expel Occidentals from the Orient. At Changsha, in Hunan Province, the Chinese forces of Generalissimo Chiang Kai-shek thrashed the Japanese in what is, perhaps, the greatest battle of the long war between China and Japan. Thousands of Japanese were reported killed or captured daily by the Chinese, and the hold of the Japanese on some of the South China ports has been weakened, in consequence. Some Chinese troops now are said to be moving toward Burma and Indo-China, for fresh action against the Japanese.

Winter In Russia

Sizeable territorial advances are being made by Russian forces on the vast front from the Crimea to the Arctic Ocean, where the German, Finnish, Hungarian, Rumanian and Italian units are struggling desperately against bitter cold and mobile Red Army cavalry. The Nazi withdrawal, announced on Dec. 8, obviously has been rendered costly by the Russians, and the lines that would be suitable for stabilization of the front, from the German viewpoint, have been pierced in a dozen places. The Russian victory gains importance day by day, as the vast struggle continues without genuine stabilization of the fighting front.

Whether this battle can be counted upon to knock the Germans out of the war is, however, another matter. The Russian accounts are colorful and impressive. But the Nazi rear-guard action remains effective and in accordance with Reichswehr traditions. Already the realization is spreading among the United Nations that the German campaign against Russia probably will be resumed in the Spring.

The principal Russian advance is in the semi-circle around Moscow, where the Nazi units made their greatest gains and most expensive efforts, last Autumn. Operating from interior lines, the Russians obviously have pushed the Nazis much farther back than the German High Command intended. Orel, Bryansk and even Smolensk are said to be among the Russian objectives. These cities, it must be remembered, are the outer ring of Moscow defenses, and even if they are regained the Germans still will be deep in Russian territory.

Russian forces apparently are much more skilled and far better prepared for winter fighting than the Germans, and are using their ski and cavalry units to excellent effect. The German reliance upon mechanized units is largely nullified, in the present weather. The siege of Leningrad is now said by Moscow to have been partly lifted, and at the southern extremity the Crimean advance is assuming great importance. Fighting for the Crimea is likely to be protracted, however, since milder weather on that front makes greater use of German equipment possible. Russian authorities claim command of the air over almost the entire fighting line, but it is evident that aerial activity is modest for the time being.

Finland, on the northern end of the line, appears to have decided to remain in the fight. There were indications from Stockholm, over the last week-end, that Finnish authorities might be willing to consider a truce. No formal action developed, however, toward a cessation of Russo-Finnish hostilities. Numerous divisions of Siberian troops now are said to be active on the European front, which indicates that the Russian position is not to be regarded as brilliant. The need for depleting the Siberian defense forces in the effort against the Nazis possibly is contributing heavily to the tragic occurrences in the Pacific war, for it may be the simple explanation for Moscow's unwillingness to join in the fight against the Japanese member of the Axis.

African Battles

Intensified military activity in Northern Africa and the Mediterranean region suggested, this week, an early enlargement of operations in that highly important theatre of warfare. The British desert units continued to chase the Germans and Italians toward Tripolitania, but severe sandstorms made progress difficult. On the border of Egypt and Libya, the British Empire units took Solum, Tuesday, and tightened the steel ring around the remaining Axis forces in the Halfaya area. Length of communications now begins to tell against the advance forces of the British.

German and Italian plans clearly are being rushed for a major move against British naval dominance of the Mediterranean, probably as a matter of bolstering Italian morale. The Middle Sea is of little use to the British, as a lifeline to the Far or Middle East, at present. Nevertheless, the Axis seems determined to attempt a conquest of the Mediterranean. Sizeable bombing raids against Malta were inaugurated and maintained, and fleets of transports and barges were being assembled this week in Sicilian ports.

The "neutrals" at either end of the Mediterranean again were subjected to intense diplomatic pressure, both by the Axis and the United Nations. Turkey showed little indication, however, of a voluntary change from the precarious neutrality observed by that country since the start of the war. Vichy France doubtless was subjected to much pressure from both sides, respecting the West African bases of the French. The results in this sphere also are in doubt.

Inside Germany

Little activity was noted this week in the direct struggle between Germany and the United Nations, and this possibly contributed toward a veritable flood of rumors that the Nazis were encountering internal difficulties in Germany. Reports from Berne, Stockholm and London all suggested that Hitler was at odds with his military and naval advisers. Some accounts even stated that machine guns were being set up at traffic centers in Berlin. The Nazis took unusual pains to deny the reports of dissension and difficulties. They blasted the Swiss and the Swedes for circulating what they called "false" rumors. In all probability the accounts are too good to be true, and certainly should not be credited to a degree that would diminish our arms production or vitiate our military effort.

When weather conditions permitted, the British Air Force bombed nearby French ports and the more distant German industrial centers unmercifully. The effectiveness of such attacks has been attested by a number of observers. German aerial bombing of British points was modest. The Reich expanded its submarine operations, however, for the British cruiser Galatea, 5,220 tons, was admitted sunk, and at least one merchant ship went down just off Nova Scotia.

Both Washington and London were said this week to be engaged in a further attempt to persuade the Irish Free State to permit the use of west coast bases in Ireland for naval operations. Prime Minister Eamon De Valera stated publicly, however, that Ireland would defend herself "from attacks from any quarter." Some criticism of the Malay campaign developed in the London House of Commons, and even the United States was subjected to some adverse comment. One Laborite was reported as fearing that the British Isles will become the American outpost in European warfare.

Inter-American Conference

Far more important than any previous conference of the 21 American Republics is the one that begins today, in Rio de Janeiro, for upon the outcome of this gathering depends the attitude of South America toward the World War. The test of United States participation in the great conflict has produced nine sympathetic war declarations by the Latin Republics of Central America and the Caribbean. None of the great South American States, however, has followed suit, and some of the more important countries have taken a rather determined stand for neutrality.

The multitudinous and delicate inter-relations of North and South America plainly are involved in the question of action by the States of the sister continent to the south. Decisions facing the South American leaders are not easy ones, for the excellent political relations of the Good Neighbor policy pull them toward joint measures with the United States, whereas certain racial and economic ties may influence them toward continued neutrality. The economic trend of the moment is toward the closest possible inter-American cooperation, since the United States now is the best and almost the only market for the Latin-Americans.

Whether it is to the interest of the South Americans to participate actively in the world conflict is a question on which only the countries concerned can supply a conclusive answer. Washington plainly is intent on persuading the countries of that continent to take an active stand. There is, however, a good deal of Axis influence apparent in South America, both directly and through Spanish connections. The outcome of the Rio de Janeiro debates will afford an interesting reflection on such matters, and on the individual problems of the South American States.

Under-Secretary of State Sumner Welles heads the United States delegation of some 25 experts at the Rio de Janeiro meeting. The Washington representatives arrived in the Brazilian capital on Monday, and promptly plunged into the usual round of preliminary talks and explorations. American banking, shipping and trade authorities are included in our delegation, which indicates a readiness to meet any and all problems.

Almost all of the South American countries already have made clear their "solidarity" with the United States, in the current world crisis. Exceptional privileges are available to our armed forces everywhere, from the Rio Grande to Patagonia, and the Axis Powers are denied such privileges. The South American countries, in short, seem still to prefer that unneutral non-belligerence which the United States pursued until this country was projected into the war. Diplomatic relations in many instances already have been severed between the Axis and the South American States.

Argentina, as the unquestioned leader of South America, appears to be more intent than other countries upon continuance of technical neutrality. As delegate from some of the other countries gathered in Buenos Aires for the journey to Rio, Foreign Minister Enrique de Ruiz-Guinazu declared that "this America of ours must be preserved for peace, work and the hopes of men." The Chilean Foreign Minister, Juan B. Rossetti, made it clear that his country would favor a complete break with the Axis at the Rio gathering. Brazilian Foreign Minister Oswaldo Aranha emphasized "solidarity," in a statement at Rio de Janeiro, last Saturday, but suggested that this is not incompatible with nonbelligerence. These divergent views of the ABC Nations of South America are indicative of attitudes which prevail throughout that continent.

There will, of course, be powerful arguments available to Mr. Welles and his associates, as they begin their formal discussions at Rio de Janeiro, today. Aiding them will be not only those South American countries which favor all-out action alongside the United States, but also the nine Central American and Caribbean Republics which already have signed the United Nations Declaration. Mexico also will be of great importance, for an agreement was reached Monday, whereunder the United States and Mexico will act jointly in defense of North America, much as Canada and the United States are so acting.

Cottonseed Receipts, Lower Than Last Year

On Jan. 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the 5 months ended with December, 1941 and 1940:

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	Received at mills* Aug. 1 to Dec. 31 1941	1940	Crushed Aug. 1 to Dec. 31 1941	1940	On hand at mills Dec. 31 1941	1940
United States	3,449,192	3,554,328	2,286,810	2,319,559	1,292,911	1,274,276
Alabama	185,454	148,675	139,869	117,156	56,758	32,101
Arizona	56,490	51,477	43,904	43,832	12,803	7,653
Arkansas	454,214	440,959	259,979	223,641	219,165	231,873
California	109,511	187,579	65,744	66,892	50,262	123,756
Georgia	187,229	247,169	154,345	190,526	51,800	57,775
Louisiana	75,833	113,458	66,924	95,465	9,435	18,247
Mississippi	529,380	415,224	319,021	240,671	214,385	181,067
North Carolina	189,592	218,261	136,076	150,310	63,252	71,561
Oklahoma	212,901	191,901	157,822	150,873	55,611	41,536
South Carolina	83,837	172,126	76,615	148,658	10,230	23,984
Tennessee	383,873	333,764	209,179	165,276	195,362	169,614
Texas	845,617	922,932	581,281	663,447	291,530	275,897
All other States	135,261	101,803	76,051	62,812	62,318	39,212

*Does not include 130,529 and 39,507 tons on hand Aug. 1 nor 25,752 and 15,914 tons re-shipped for 1941 and 1940, respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand August 1	Produced Aug. 1 to Dec. 31	Ship. out Aug. 1 to Dec. 31	On hand Dec. 31
Crude oil	1941-42	*29,708	704,542	655,416	*169,998
(thousand pounds)	1940-41	37,352	738,419	658,502	179,014
Refined oil	1941-42	†294,005	‡518,488	------	‡314,330
(thousand pounds)	1940-41	493,658	548,546	------	458,055
Cake and meal	1941-42	164,444	1,000,077	784,155	380,366
(tons)	1940-41	79,501	1,031,130	932,077	178,554
Hulls	1941-42	151,439	573,069	475,417	249,091
(tons)	1940-41	20,914	576,912	425,814	172,012
Linters	1941-42	123,154	663,626	645,472	141,308
(running bales)	1940-41	129,340	611,924	519,165	222,099
Hull fiber	1941-42	1,834	17,309	17,417	1,726
(500-lb. bales)	1940-41	1,215	14,864	10,510	5,569
Grabbots, motes, &c.	1941-42	6,183	29,576	15,916	19,843
(500-lb. bales)	1940-41	12,449	22,926	23,357	12,018

*Includes 13,192,000 and 83,735,000 pounds held by refining and manufacturing establishments and 7,859,000 and 23,480,000 pounds in transit to refiners and consumers Aug. 1, 1941, and Dec. 31, 1941, respectively.

†Includes 7,268,000 and 3,356,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 3,901,000 pounds in transit to manufacturers of shortening, oleomargerine, soap, etc., Aug. 1, 1941, and Dec. 31, 1941, respectively.

‡Produced from 552,630,000 pounds of crude oil.

Exports And Imports Of Cottonseed Products

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

Oct. Statistics For Electric Lt. Pr. Industry

Electrical research statistics for the month of October, 1941 and 1940, covering 100% of the electrical light and power industry, as released on Jan. 13 by the Edison Electric Institute, follow:

SOURCE AND DISPOSAL OF ENERGY

	—Month of October— 1941	1940	% Change
*Generation (net)—			
By fuel burning plants	11,033,940,000	9,396,059,000	+17.4
By water power plants	4,202,162,000	3,659,176,000	+14.8
Total generation	15,236,102,000	13,055,235,000	+16.7
Add—Net imports over intern. boundaries	76,947,000	80,558,000	—4.5
Less—Company use	238,553,000	140,236,000	+70.1
Less—Energy used by producer	317,545,000	520,830,000	—39.0
Net energy for distribution	14,756,951,000	12,474,727,000	+18.3
Losses and unaccounted for	2,393,863,000	2,077,800,000	+15.2
Sales to ultimate customers	12,363,088,000	10,396,927,000	+18.9

CLASSIFICATION OF SALES

Number of Customers—	——As of Oct. 31—— 1941	1940	% Change
Residential or domestic	25,879,404	24,853,845	+ 4.1
Rural (distinct rural rates)			
Commercial or industrial:	981,057	681,000	
Small light and power	4,288,660	4,252,510	
Large light and power	174,849	182,005	+ 0.7
Other customers	120,826	114,173	
Total ultimate customers	31,444,796	30,083,533	+ 4.5

Kilowatt-Hour Sales—	—Month of October— 1941	1940	% Change
Residential or domestic	2,091,593,000	1,922,059,000	+ 8.8
Rural (distinct rural rates)	226,238,000	177,303,000	+27.6
Commercial or industrial:			
Small light and power	2,099,961,000	1,886,007,000	+11.3
Large light and power	6,934,106,000	5,444,646,000	+27.4
Street and highway lighting	193,302,000	188,876,000	+ 2.3
Other public authorities	274,907,000	232,788,000	+18.1
Railways and railroads:			
Street and interurban railways	322,321,000	320,928,000	+ 0.4
Electrified steam railroads	178,456,000	166,779,000	+ 7.0
Interdepartmental	42,204,000	57,541,000	—26.7
Total to ultimate customers	12,363,088,000	10,396,927,000	+18.9
Revenue from ultimate customers	$228,833,300	$206,982,700	+10.6

RESIDENTIAL OR DOMESTIC SERVICE (Revised Series)

Average customer data—	12 Months Ended Oct. 31— 1941	1940	% Change
Kilowatthours per customer	980	939	+4.4
Average annual bill	$36.75	$36.34	+1.1
Revenue per killowatthour	3.75c	3.87c	—3.1

*By courtesy of the Federal Power Commission.

Petroleum And Its Products

There is no need for gasoline rationing at the present time, since the rubber shortage with its inevitable curbing of automobile driving will act as a natural curb upon consumption of motor fuel, Petroleum Coordinator Ickes said in Washington this week at his regular press conference. While there is no shortage of gasoline at the present time, war-time demands upon the nation's petroleum transportation system may bring about shortages in some sections of the country in the future, according to present belief.

This decision was reached by Mr. Ickes in the face of arguments advanced by civilian supply officials who felt that a curtailment of gasoline would aid in the conservation of rubber and also of automobiles, production of both of which has been virtually ended as far as the general public is concerned for the duration of the war. While there has been no appreciable slackening in demand for gasoline by civilian drivers since the new tire rationing regulations went into effect recently, if the trend toward lessened use of automobiles by the general public continues at the same pace as shown by New York City and other major population centers throughout the country continues, this factor must eventually become a major one in the market picture.

Higher prices for Grade C bunker fuel oil on the Eastern Seaboard and at the Gulf Coast, proposed by several oil companies, have been rejected by the Office of Price Administration, it was announced in Washington on Jan. 10. Under the planned price schedule, prices would have advanced 15 cents a barrel to $1.50 at New York City with corresponding advances at other East Coast ports and on the Gulf Coast. In denying the applications for the advance, the OPA considered current charter rates, costs of operating company-owned tankers, fuel oil supply position, defense operations in which fuel oil is required and the general economic position of refiners and marketers. The OPA announcement set the following maximum prices for Grade C bunker fuel oil and No. 6 fuel oil, f.o.b. refineries and terminals (ex lighterage):

Albany, N. Y.	$1.55
New York, N. Y.	1.35
Philadelphia, Pa.	1.35
Baltimore, Md.	1.35
Norfolk, Va.	1.35
Portland, Me.	1.35
Boston, Mass.	1.35
Providence, R. I.	1.35
Charleston, S. C.	1.30
Savannah, Ga.	1.30
Jacksonville, Fla.	1.30
Tampa, Fla.	1.25
New Orleans, La.	.85
Gulf Coast	.85

The rejection of the advance, while not unexpected, was a disappointment to East Coast oilmen since the current price of $1.35 does not include increased operating costs of the companies which have arisen since it was posted last April, according to the general belief. Since Gulf Coast prices of 85 cents added to the transportation cost of approximately 55 cents a barrel bring the delivered cost at New York to $1.40, higher prices had been hoped for by the trade. The sharp expansion in demand for this type of fuel oil for the Navy and defense industries has brought Atlantic Coast stocks almost to the point of "tightness" as far as the relation of supplies to demand is concerned.

Leon Henderson, Director of the Office of Price Administration, last Saturday asked that purchasers of crude oil from wells in East Texas and other fields "discontinue offering bonuses and otherwise bidding above posted prices." The OPA announcement pointed out that "in normal times, the offering of bonuses or other forms of premium to attract business away from competing buyers usually forecasts a general increase in prices for crude. Under war conditions, this type of buying can only serve to contribute to inflationary spirals." It was asked that crude oil buyers pay no more than posted prices as of Nov. 7, 1941.

Creation of a materials division in the Office of the Petroleum Coordinator to assist the oil industry in obtaining essential materials was announced by Petroleum Coordinator Ickes in Washington this week. William F. Huff, oil well supply expert of Glendale, Calif., will head the new materials division. "The increasing importance and volume of work concerned with preference ratings and allocations of oil industry materials make it desirable to establish a specialized functional unit to aid this office in fulfilling its responsibility for assisting the petroleum industry to obtain essential materials," it was pointed out in the announcement. "In performing this service for the industry, the materials division will also, in effect, serve the Office of Production Management as an 'industrial branch' specializing in the field of petroleum."

Representatives of independent petroleum refiners joined with spokesmen for independent iron ore and farm groups in opposing the proposed 10% increase in railroad and water carrier rates at a hearing of the Interstate Commerce Commission in St. Louis on Jan. 8. M. H. Champion, counsel for Anderson-Prichard Oil Co. of Oklahoma City, said that his company was opposing any increase in any petroleum rate. "The freight revenue from petroleum has continually declined from 1936 through 1940, yet on the revenue of all carload freight there has been a slight increase," he pointed out. "It will be noted that in 1936 the petroleum traffic represented 8.24% of the railroads' total freight revenue, whereas in 1940 this was reduced to only 6.76% of the total, which in our opinion was due to the continual high rates on petroleum products because the production and consumption of petroleum products has increased each year."

With Texas showing a jump of approximately 220,000 barrels daily, the nation's daily average flow of crude oil for the week ended Jan. 10 was up 222,760 barrels to 4,252,460 barrels, according to the "Oil & Gas Journal" on Jan. 13. The 219,600-barrel gain in Texas lifted output there to 1,714,100 barrels. California and Louisiana also showed a gain with Kansas, Oklahoma and Illinois reporting lower production totals. Inventories of domestic and foreign crude oil held in the United States on Jan. 3 were up 450,000 barrels at 244,440,000 barrels, the Bureau of Mines reported. Domestic crude stocks were up 284,000 barrels, with holdings of foreign crude rising 166,000 barrels.

There were no crude oil price changes posted during the week.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Further progress in the drive of the Office of Petroleum Coordinator to triple current output of aviation grade high octane gasoline came this week in orders issued by Petroleum Coordinator Ickes to Governors and petroleum regulatory agencies of the major oil-producing States to increase production from oil fields which yield the high grade crude oil needed for aviation gasoline. The new order stipulated that the higher quotas for the high grade crude oil be so arranged as to keep the total State quotas within the limits prescribed each month by the Coordinator's office, which may mean curtailment of production of low-grade crude in some States.

The new order is the latest step in the far-reaching program initiated by Petroleum Coordinator Ickes early in 1941 when the need of increased supplies of aviation gasoline for our own and our Allies' military needs became apparent. The program to date has included the launching of a giant expansion and new construction program for refineries, issuing of orders restricting the use of aviation gasoline components to essential purposes, expediting of priority applications for aviation gasoline plants, obtaining of agreement by patent owners to slash royalties on aviation gasoline processes and mobilizing of the industry's leadership in the Petroleum Industry Council for National Defense.

In keeping with the program to expand available supplies of aviation grade gasoline, the Texas Railroad Commission this week, acting upon the recommendation of Mr. Ickes, earmarked by proration order all aviation grade petroleum from 62 Texas fields exclusively for military use. Most of the fields are along the Gulf of Mexico and in Southwest Texas, and the order cited Federal requirements that all oil and refining capacity possible be set aside for aviation gasoline production. Similar action in other fields in major oil producing States where the crude is sufficiently high grade to furnish good material for aviation gasoline is expected in the immediate future.

One possible complication is the fact that the American petroleum industry will soon be called upon to produce a considerable amount of synthetic rubber, to replace the supplies lost through the victories of the Japanese Army and Navy in the Far East where most of the American supplies normally are obtained. The same crude properties which are essential to the output of synthetic rubber are essential to the production of 100-octain aviation gasoline, which indicates a possible check upon the scheduled expansion of production facilities and supplies of the latter.

The Office of Price Administration this week granted permission to gasoline distributors in those areas of Virginia and Maryland adjacent to the District of Columbia to advance tank wagon gasoline prices by not more than ½-cent a gallon. The increase is strictly a matter of tax adjustment, it was pointed out in the announcement of Leon Henderson, Director of the OPA.

The cold and snow which hit a good portion of the country this week was reflected in curtailed demand for motor fuel which was accelerated by the new rubber tire rationing. While this may develop to the point where it will become a serious influence on civilian motor fuel demand, the rising trend of military and defense demand for gasoline will offset any development of this nature, it is generally felt.

With the exception of the tax-adjustment in gasoline prices in some sections of Maryland and Virginia, covered above, prices of refined petroleum products showed little change during the week.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅜
Gulf Coast	.06-.06
Oklahoma	.06-.06⅜

y Super.

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	$.053
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅜-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) unker C	$1.35
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	.85
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅝

Bank Of Manhattan Net Operating Earnings

J. Stewart Baker, Chairman of the Board of the Bank of Manhattan Co., New York, reported on Jan. 2 that the net operating earnings for the year ending December 31, 1941, not including net profits realized on the sale of securities, amounted to $2,753,220, equal to $1.37 per share on the 2,000,000 shares of Capital Stock authorized and outstanding. Net profits realized on the sale of securities amounted to $853,673. Dividends declared during the year amounted to $1,800,000, and Mr. Baker further stated:

> Net operating earnings and net profits realized on the sale of securities in excess of dividends declared and additions to Undivided Profits have been used, together with recoveries, to set up reserves, including additions to the reserve for United States Government securities, and to write down certain assets.

The stockholders of the bank held their annual meeting on Dec. 2, at which time Mr. Baker reported the indicated earnings for 1941; this report was discussed in these columns of Dec. 11, page 1472.

The bank's statement of condition as of Dec. 31, 1941, showed total deposits of $759,583,582 and total assets of $815,221,987 compared respectively with $746,701,027 and $801,373,064 as of Sept 30, 1941. Cash on hand and due from banks amounted to $284,106,493 against $275,459,116, holdings of United States Government securities to $186,323,368 against $182,843,583. Loans and discounts increased to $276,672,427 from $267,686,303. Capital and surplus were unchanged at $20,000,000 each. Undivided profits, after reserve of $400,000 for quarterly dividend, and $200,000 for special dividend, increased to $7,453,560 from $7,343,642 at the end of September.

Lamborn's Sugar Calendar Distributed

The tenth annual edition of Lamborn's Sugar Calendar, containing statistical data and other vital information pertaining to the sugar industry of the United States and the world, is being distributed by Lamborn & Co. Inc., New York, sugar brokers.

This unique calendar, it is said provides for each day of 1942 the prices for raw and refined sugar effective the same date in 1941 together with the monthly averages.

It gives other useful and interesting material such as the harvesting periods of the sugar crops in the various countries of the world, important sugar dates for 1941 and the probable dates when important trade estimates for 1942 are to be issued by governmental and private statistical agencies.

Cleveland Reserve Bank Staff Changes

At a regular meeting of the Board of Directors of the Federal Reserve Bank of Cleveland held on Jan. 8. the following changes in the official staff of this bank were made:

C. W. Arnold, formerly Assistant Vice-President, was appointed Vice-President.

E. A. Carter, formerly Assistant Cashier, was appointed Assistant Vice-President.

J. W. Kossin, formerly Assistant Cashier at the main office. was appointed Cashier at the Pittsburgh branch.

C. E. Harrell, formerly of Cincinnati branch, was appointed Assistant Cashier at the main office.

These appointments are effective Jan. 9.

Electric Output For Week Ended Jan. 10, 1942, Shows 15.9% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 10, 1942, was 3,480,344,000 kwh., which compares with 3,002,454,000 kwh. in the corresponding period in 1941, a gain of 15.9%. The output for the week ended Jan. 3, 1942, was estimated to be 3,288,685,000 kwh., an increase of 15.6% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended		
Major Geographic Divisions—	Jan. 10, '42	Jan. 3, '42	Dec. 27, '41
New England	18.1	16.9	16.5
Middle Atlantic	12.8	11.5	13.2
Central Industrial	14.5	13.7	14.8
West Central	14.4	13.8	17.5
Southern States	17.9	17.8	19.4
Rocky Mountain	13.9	16.2	22.2
Pacific Coast	22.7	24.5	27.0
Total United States	15.9	*15.6	17.3

*Revised.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	*1941	1940	% Change 1941 over 1940	1939	1938	1937
July 5	2,903,727	2,425,229	+19.7	2,145,033	1,937,486	2,139,281
July 12	3,178,054	2,651,626	+19.9	2,402,893	2,154,099	2,358,438
July 19	3,199,105	2,681,071	+19.3	2,377,902	2,152,779	2,321,531
July 26	3,220,526	2,760,935	+16.6	2,426,631	2,159,667	2,312,104
Aug. 2	3,263,082	2,762,240	+18.1	2,399,805	2,193,750	2,341,103
Aug. 9	3,233,242	2,743,284	+17.9	2,413,600	2,198,266	2,360,930
Aug. 16	3,238,160	2,745,697	+17.9	2,453,556	2,206,560	2,365,859
Aug. 23	3,230,750	2,714,193	+19.0	2,434,101	2,202,454	2,351,233
Aug. 30	3,261,149	2,736,224	+19.2	2,442,021	2,216,648	2,380,301
Sept. 6	3,132,954	2,591,957	+20.9	2,375,852	2,109,985	2,211,398
Sept. 13	3,322,346	2,773,177	+19.8	2,532,014	2,279,233	2,338,370
Sept. 20	3,273,375	2,769,346	+18.2	2,538,118	2,211,059	2,231,277
Sept. 27	3,273,376	2,816,358	+16.2	2,558,538	2,207,942	2,331,415
Oct. 4	3,330,582	2,792,067	+19.3	2,554,290	2,228,586	2,339,384
Oct. 11	3,355,440	2,817,465	+19.1	2,583,366	2,251,089	2,324,750
Oct. 18	3,313,596	2,837,730	+16.8	2,576,331	2,281,328	2,327,212
Oct. 25	3,340,768	2,866,827	+16.5	2,622,267	2,283,831	2,297,785
Nov. 1	3,380,488	2,882,137	+17.3	2,608,664	2,270,534	2,245,449
Nov. 8	3,368,690	2,858,054	+17.9	2,588,618	2,276,904	2,214,337
Nov. 15	3,347,893	2,889,937	+15.8	2,587,113	2,325,273	2,263,679
Nov. 22	3,247,938	2,839,421	+14.4	2,560,962	2,247,712	2,104,579
Nov. 29	3,339,364	2,931,877	+13.9	2,605,274	2,334,690	2,179,411
Dec. 6	3,414,844	2,975,704	+14.8	2,654,395	2,376,541	2,234,135
Dec. 13	3,475,919	3,003,543	+15.7	2,694,194	2,390,388	2,241,972
Dec. 20	3,495,140	3,052,419	+14.5	2,712,211	2,424,935	2,053,944
Dec. 27	3,234,128	2,757,259	+17.3	2,464,795	2,174,816	2,033,319

Week Ended	1942	1941	% Change 1942 over 1941	1940	1939	1938
Jan. 3	*3,288,685	2,845,727	+15.6	2,558,180	1,619,265	1,542,000
Jan. 10	3,480,344	3,002,454	+15.9	2,688,380	1,602,482	1,733,810

*Revised.

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	% Change 1941 over 1940	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13,901,644	11,484,529	+21.0	10,653,197	9,486,866	9,908,314
October	14,756,951	12,474,727	+18.3	11,289,617	9,844,519	10,065,805
November	---------	12,213,543	---	11,087,866	9,893,195	9,506,495
December	---------	12,842,218	---	11,476,294	10,372,602	9,717,471
Total for year		138,653,997		124,502,309	111,557,727	117,141,591

Bonds Are Firm

Gains in bond prices have been largely confined to the railroad section of the list this week but other corporate and Treasury bonds have maintained last week's gains. The new Treasury issue, the 2s 1949-51, which is to refund over a billion dollars of guaranteed and other Government obligations, was quoted at a premium of 20/32 on Tuesday.

High-grade railroad securities have not exhibited any particular trend during the week under review but the tone has been a firm one. Norfolk & Western 4s, 1996, at 127½ were off ¾ while Cincinnati Union Terminal 3½s, 1971, remained unchanged at 108⅝ Medium-grade rails have been better and wide gains have been registered among speculative issues in active trading. New York Central 4½s, 2013, advanced five points to 53¾ and Illinois Central 4s 1953. were 3¼ points higher at 42¾. Defaulted rails have been actively higher, Baltimore & Ohio 4½s, 1960, touching a new high of 38¼ with a net gain of 3⅛.

Speculative interest has developed in two groups of utility bonds, namely, foreigns and tractions. Prominent among the former have been American & Foreign Power 5s, 2030, International Telephone & Telegraph 5s, 1955, Canada Northern Power 5s, 1953 Gatineau Power 3¾s, 1969, and Shawinigan Water & Power 4½s 1967. Among the tractions Hudson & Manhattan 5s, 1957. Third Avenue Railway 4s, 1960, and St. Louis Public Service 5s, 1959, were active. Gains in both groups have been substantial. Additional financing has been indicated in the registration of $32,500,000 Pennsylvania Electric mortgage bonds.

Among the highest grades of industrial bonds gains for the week have been recorded by Socony Vacuum 3s, 1964, up ¾ at 105½ and Inland Steel 3s, 1961, up ¼ at 105. Most of this group was unchanged but Liggett & Myers 5s, 1951, lost ¾ point at 122. Advances have been quite general in the more speculative sections Firestone 3s, 1961, gaining 1¼ at 93¾, Remington Rand 3½s, 1956 rising one point to 101, and United Drug 5s, 1953. taking on 1¼ point at 96. Union Oil Co. of California offered $15,000,000 of 3% debentures, due 1967, on Tuesday at 99½.

The general improvement in the foreign list has continued and prices have been better on balance. Australian loans advanced further but met profit taking toward the close while Canadian bonds gained fractionally. Argentine bonds became irregular after a display of early strength but Chilean issues closed slightly better Cuba 4½s gained over four points. Norwegian and Danish bonds have been bid up several points and Finland 6s moved up seven points. Polish bonds added to their recent gains while Belgian issues closed slightly unsettled.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 13	117.86	106.92	116.41	113.89	107.62	92.06	97.31	110.70	113.70
12	117.91	106.92	116.41	113.89	107.62	91.91	97.31	110.70	113.70
10	118.09	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
8	118.10	106.92	116.61	114.08	107.80	91.62	97.16	110.70	113.89
7	117.94	106.92	116.61	114.08	107.62	91.62	97.00	110.70	113.89
6	117.82	106.74	116.61	114.08	107.62	91.85	96.85	110.88	113.70
5	117.95	106.56	116.02	113.70	107.44	91.34	96.54	110.70	113.31
3	117.85	106.39	115.82	113.70	107.27	91.05	96.23	110.52	113.31
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
1				STOCK EXCHANGE CLOSED					
1941—									
Dec. 31	117.54	106.04	115.82	113.50	106.92	90.34	95.77	110.15	113.12
30	117.50	106.04	115.82	113.70	107.27	90.20	95.92	110.15	113.31
29	117.63	105.86	115.82	113.50	107.44	89.78	95.62	110.15	113.12
27	117.21	105.86	115.82	113.50	107.27	89.64	95.62	109.97	113.31
26	117.20	106.04	116.02	113.70	107.44	89.78	95.62	110.15	113.50
25				STOCK EXCHANGE CLOSED					
24	117.39	106.04	116.22	113.70	107.44	89.92	95.77	110.15	113.70
23	117.66	106.21	116.41	113.89	107.44	89.92	95.77	110.15	113.70
22	118.05	106.39	116.41	113.89	107.62	90.20	95.92	110.34	113.89
20	118.24	106.21	116.41	113.70	107.62	90.20	95.77	110.34	113.89
19	118.30	106.39	116.61	113.89	107.80	90.20	95.77	110.52	114.08
18	118.25	106.39	116.80	113.89	107.80	90.06	95.77	110.70	114.08
17	118.21	106.56	116.80	113.89	107.98	90.34	95.92	110.70	114.27
16	118.16	106.56	117.00	114.08	107.98	90.34	96.07	110.70	114.27
15	118.09	106.56	117.00	114.08	107.98	90.06	96.07	110.52	114.08
13	118.13	106.39	116.80	113.70	107.98	90.06	95.92	110.52	113.89
12	118.18	106.21	116.80	113.70	107.80	89.78	95.77	110.52	113.70
11	117.71	106.21	116.61	113.31	107.98	90.06	95.92	110.52	113.50
10	117.70	106.21	116.61	113.31	107.80	89.78	95.77	110.52	113.31
9	118.17	106.39	116.80	113.50	108.16	89.78	95.92	110.88	113.31
8	118.69	107.44	117.80	114.85	109.06	90.91	96.85	111.81	114.85
6	119.59	108.16	118.40	115.43	109.60	91.77	97.31	112.19	115.82
5	119.62	108.16	118.40	115.43	109.60	91.91	97.47	112.19	116.02
4	119.56	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
3	119.58	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
2	119.59	108.16	118.60	115.63	109.60	91.91	97.31	112.37	116.02
1	119.65	108.16	118.40	115.43	109.60	91.91	97.31	112.37	116.02
Nov. 28	119.77	108.16	118.60	115.63	109.60	91.62	97.16	112.37	116.02
21	119.96	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.02
14	119.98	108.16	118.60	115.82	109.42	91.77	97.31	112.37	116.02
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	115.82	112.00	106.04	89.23	95.62	109.42	111.62
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Year ago									
Jan. 13, 1941	118.14	106.74	118.20	114.08	106.74	90.63	96.85	110.15	114.08
2 Years ago									
Jan. 13, 1940	115.96	101.97	115.43	111.81	100.98	84.04	90.34	106.74	110.52

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 13	3.34	2.83	2.96	3.30	4.27	3.92	3.13	2.97
12	3.34	2.83	2.96	3.30	4.28	3.92	3.13	2.97
10	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
8	3.34	2.82	2.95	3.29	4.30	3.93	3.13	2.96
7	3.34	2.82	2.95	3.30	4.30	3.94	3.13	2.96
6	3.35	2.82	2.95	3.30	4.31	3.95	3.12	2.97
5	3.36	2.85	2.97	3.31	4.32	3.97	3.13	2.99
3	3.37	2.86	2.97	3.32	4.34	3.99	3.14	2.99
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
1				STOCK EXCHANGE CLOSED				
1941—								
Dec. 31	3.39	2.86	2.98	3.34	4.39	4.02	3.16	3.00
30	3.39	2.86	2.97	3.32	4.40	4.01	3.16	2.99
29	3.40	2.86	2.98	3.31	4.43	4.03	3.16	3.00
27	3.40	2.86	2.98	3.32	4.44	4.03	3.17	2.99
26	3.39	2.85	2.97	3.31	4.43	4.03	3.16	2.98
25				STOCK EXCHANGE CLOSED				
24	3.39	2.84	2.97	3.31	4.42	4.02	3.16	2.97
23	3.38	2.83	2.96	3.31	4.42	4.02	3.16	2.97
22	3.37	2.83	2.96	3.30	4.40	4.01	3.15	2.96
20	3.38	2.83	2.97	3.30	4.40	4.02	3.15	2.96
19	3.37	2.82	2.96	3.29	4.40	4.02	3.14	2.95
18	3.37	2.81	2.96	3.29	4.41	4.02	3.13	2.95
17	3.36	2.81	2.96	3.28	4.39	4.01	3.13	2.94
16	3.36	2.80	2.95	3.28	4.39	4.00	3.13	2.94
15	3.36	2.80	2.95	3.28	4.41	4.00	3.14	2.95
13	3.37	2.81	2.97	3.28	4.41	4.01	3.14	2.96
12	3.38	2.81	2.97	3.29	4.43	4.02	3.14	2.97
11	3.38	2.82	2.99	3.28	4.41	4.01	3.14	2.98
10	3.38	2.82	2.99	3.29	4.43	4.02	3.14	2.99
9	3.37	2.81	2.98	3.27	4.43	4.01	3.12	2.99
8	3.31	2.76	2.91	3.22	4.35	3.95	3.07	2.91
6	3.27	2.73	2.88	3.19	4.29	3.92	3.05	2.86
5	3.27	2.73	2.88	3.19	4.28	3.91	3.05	2.85
4	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
3	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
2	3.27	2.72	2.87	3.19	4.28	3.92	3.04	2.85
1	3.27	2.73	2.88	3.19	4.28	3.92	3.04	2.85
Nov. 28	3.27	2.72	2.87	3.19	4.30	3.93	3.04	2.85
21	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.85
14	3.27	2.72	2.86	3.20	4.29	3.92	3.04	2.85
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
Feb 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year ago								
Jan. 13, 1941	3.35	2.74	2.95	3.35	4.37	3.95	3.16	2.95
2 Years ago								
Jan. 13, 1940	3.63	2.88	3.07	3.69	4.86	4.39	3.35	3.14

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Items About Banks, Trust Companies

At the regular meeting of the Board of Directors of The National City Bank of New York held on Jan. 6, John F. Cannon, Jr. was appointed Assistant Vice President. In his new capacity, Mr. Cannon will be associated with that group of officers administering the bank's affairs in South America. For many years Mr. Cannon has been a member of the bank's administrative staff supervising branch operations throughout the world and since his return from abroad, he has been assigned to the Comptrollers' Department. Mr. Cannon was formerly an Assistant Cashier.

Edward S. Gilmour, Trust Officer in the Central Hanover Bank & Trust Co., New York City, died on Jan. 5 in the Leonia (N. J.) station of the Erie and Central Railroad. He was 60 years old and lived in Leonia.

The New York Trust Company, of New York, announces the retirement with pension of the two men who have been associated with it for the longest period, Walter E. Drummond, Chief Paying Teller, who has been with the bank since July 30, 1893, and Montrose Stuart, Assistant Secretary, who has been with the bank since Nov. 28, 1898. In addition to their long service with The New York Trust Co., both show other interesting parallels in their careers. Born the same year, both attended Cooper Union and were subsequently employed, although at different times, by the Continental Trust Co., merged with the present New York Trust Co. in 1904 under Charles S. Fairchild, Chairman of the Board, who had been Secretary of the Treasury in Cleveland's Cabinet. An announcement by the trust company continued:

> Besides terminating his service of 48 years with The New York Trust Co., Mr. Drummond has just celebrated his 66th birthday. Born in 1875, he attended the University of Chicago as well as Cooper Union. Starting his business career in 1890, he was employed as a clerk by the Continental Trust Co. (The New York Trust Co.) on July 30, 1893 as its ninth employee, later serving periods as bookkeeper, auditor, general bookkeeper, paying teller, loan clerk, investment ledger clerk and treasurer.
>
> Mr. Stuart was born in 1875 in New York City where he received his Bachelor of Science degree from Cooper Union. Prior to his employment as a clerk by the Continental Trust Co. (the New York Trust Co.) in November, 1898, he had been in the employ of the Butterick Co., E. C. Rich Co., Ltd. and the Penny Provident Fund.

Eric J. Gluckstadt has resigned as a Vice-President of The New York Trust Co., and has opened an office at 20 Exchange Place, it was announced by the trust company on Jan. 2.

Following action of the Board of Trustees of The New York Trust Company on Jan. 6, John E. Bierwirth, President, announced that the Company is extending additional payments to all active members of its staff, other than officers, receiving salaries of $500 per month, or less, through the first quarter of 1942. The announcement says:

> Such payments in January, February and March of this year, like those in October, November and December of 1941, will be equal to 6% of the first $150 and 4% of the next $100 of the basic pay for each of those months.

The Colonial Trust Company of New York reported as of Dec. 31 total deposits of $19,382,823 and total assets of $21,038,350, compared, respectively, with $17,177,675 and $18,839,915 on June 30. Cash on hand and due from banks amounted to $8,482,154 against $7,231,521; holdings of United States Government and municipal securities to $2,381,844 against $1,310,684, and loans and discounts to $9,647,719, against $9,838,591. Capital was unchanged at $1,000,000. Surplus and undivided profits were $436,854, against $478,829 at the end of June.

Trust Company of North America, New York, announces the resignation of George H. Rhinehart, as President. Mr. Rhinehart will continue his association with the institution as a Director. Jacob Schapiro, Chairman, will assume the office of President.

At the annual meeting of stockholders of the Brooklyn Trust Co. of Brooklyn, N. Y., held on Jan. 12, at the main office of the Company, 177 Montague Street, the following trustees were re-elected: Edwin P. Maynard, George V. McLaughlin, Lewis M. Gibb, William J. Tracy, George A. Anderson. Herbert E. Smith, and Joseph Michaels, Jr.

The New York Chapter of the American Institute of Banking calls attention to certain courses in banking and finance available only in the Spring Semester. Registration for the Spring term will take place at the Chapter's office in the Woolworth Building, 233 Broadway, during the week of Jan. 19. Classes begin Jan. 26.

Raymond F. Cutler, special representative of the Federal Reserve Bank of New York in its Bank Relations Department, died on Dec. 31 at his home in Ridgewood, N. J. Mr. Cutler, who was 53 years old, had been connected with the Reserve Bank for 25 years and served as special representative for the last 15 years. He was a native of Warren, Mass., and a graduate of Dartmouth College.

The Board of Trustees of The Bowery Savings Bank of New York announced on Jan. 2 the appointment of Fred H. Allen as Deputy Mortgage Officer and John M. Ohlenbusch, Jr., as Assistant Treasurer.

The statement of condition of Clinton Trust Co., New York City, as of Dec. 31, 1941, shows that total assets increased to $11,269,628 from $11,004,830 as of Sept. 30, 1941, and $10,461,951 on Dec. 31, 1940. Deposits of the bank were $10,121,722 on Dec. 31, 1941, compared with $9,875,183 on Sept. 30 and $9,320,894 a year ago. Surplus and undivided profits totaled $385,000 against $379 953 at Sept. 30 and $343,135 on Dec. 31, 1940. Regarding the institution's year-end condition it is also noted:

> Capital stock of the bank remained unchanged at $600,000, while capital notes were $75,000, compared with the same amount on Sept. 30 and with $100,000 a year ago. Loans and discounts totaled $2,911,583 on Dec. 31, 1941, against $2,943.370 on Sept. 30 and $2,579,660 at Dec. 31, 1940. Other asset items compare as follows with the figures for three months ago and a year ago: cash on hand and due from banks, $3,462.227. against $3,500,366 and $3,347,666; investments in bonds, $4.392,909, against $4,081.969 and $4,092,808.

A testimonial luncheon was given William C. Taber at the East River Savings Bank, New York City in honor of his 40th anniversary as a Trustee, Jan. 13. Mr. Taber is a member of the Executive Committee of the bank, and has served on and been Chairman of the Examining Committee almost the entire time of his association with the bank. Mr. Taber is President of the Urner-Barry Publishing Co. of New York City.

Joseph P. Chamberlain has been elected a Trustee of the Emigrant Industrial Savings Bank, New York City, Walter H. Bennett, Chairman of the Board, announced on Jan. 9. Mr. Chamberlain, Professor of Law at Columbia University, is a Director of the Equitable Life Assurance Society of the United States, a Director and Vice President of Survey Associates, Inc., and a Trustee of the Russell Sage Foundation.

The Sterling National Bank & Trust Co., in its statement of condition as of Dec. 31, 1941, reports a surplus of $2,250,000, an increase of $250,000 from the last published statement. Year-end deposits of $40,810,045 are the largest in the history of the bank, and compare with $36,301,462 on Dec. 31, 1940. Total assets were $46,041,338 on Dec. 31, 1941, compared with $40,975,026 a year ago; loans and discounts amounted to $22,938,535, against $17,780,402; and cash and due from banks was $15,544,818, compared with $18,293,923 at Dec. 31, 1940. Capital, surplus and undivided profits at the close of 1941 totaled $4,016,459, against $3,717,038 at the end of 1940; reserves were $610,714 compared with $586,628; U. S. Government securities were $5,016,526 against $3,112,658, and State, municipal and corporate securities amounted to $1,827,597, compared with $1,278,253 at Dec. 31, 1940.

The Grace National Bank, New York City, shows in its statement of condition as of Dec. 31, 1941, deposits of $50,693,014, as compared with $48,289,626 on Sept. 30 and $43,858,880 a year ago. Undivided profits amounted to $851,461 as compared with $841,448 in September and $714,819 a year ago. Cash in vault and with banks totaled $21,331.233, as compared with $20.936,858 in September and $22,270,355 a year ago. U. S. Government securities at the end of the year were $15,584,728, as compared with $10,747,371 in September and $7,191,404 a year ago. Loans and discounts were $12,271.832, as compared with $15,102,833 in September and $12,102,128 a year ago.

The Commercial National Bank & Trust Co. of New York reported as of Dec. 31, 1941, total deposits of $160.709,500 and total assets of $181,100,140 compared, respectively, with $148,033,218 and $167,129.674 on Dec. 31, 1940. The bank held cash on hand and due from banks of $65,981.080 compared with $70,144,090; investments in United States Government securities of $70,457,549 compared with $53,931.784; and loans and discounts of $36.281.004 compared with $34,058,811. The bank's capital account was unchanged at $7,000.000 and its surplus and undivided profit account increased to $9,094,264 from $8,746.907 after the payment of the regular 8% dividend of $560,000.

The Williamsburgh Savings Bank, Brooklyn, N. Y., announced on Jan. 7 the election of Ansel P. Verity as a trustee. Mr. Verity is a Vice-President of the Bank of the Manhattan Company, New York City. He is also Vice-President of the Kings County Bankers Association and a director of the Brooklyn Chamber of Commerce.

Kings County Trust Co., Brooklyn, N. Y., reports as of Dec. 31 total resources of $71.461,587, compared with $63,753.832 on Sept. 24. Total deposits were $63,103.843, against $55.333,233. Undivided profits amounted to $245.376, against $269.599. Cash was $31,626,418, against $23,454,088, and Government securities were $16,306,165, against $16,689,420. Loans and discounts totaled $2,595,275, against $2,408,780.

The Lafayette National Bank, Brooklyn, N. Y., reported as of Dec. 31, 1941, total deposits of $13,412,437 and total assets of $14,734,548 compared, respectively, with $12,783,854 and $14,295,149 on Sept. 30, 1941. Cash on hand and due from banks amounted to $4,527,896, against $4,821,993; holdings of Government securities to $4,523,793, against $3,771,887; and loans and discounts to $4,523,793, against $4,241,477. In the latest statement, capital stock is shown at $750,000; surplus at $250,000, undivided profits, $188,334, and reserves $62,321.

Bernard W. Trafford, former President and Chairman of the Board of Directors of the First National Bank of Boston, died on Jan. 2 at his home in Milton, Mass., at the age of 71. He had retired from banking in July, 1941, after 29 years in the banking field. Prior to his entry therein, Mr. Trafford held executive posts with the American Telephone & Telegraph Co., at one time being senior operating Vice-President for the company in the Middle West. A native of Dartmouth, Mass., he was graduated from Harvard College in 1893 following which he began his business career with the telephone company, becoming a member of the engineering staff.

Mr. Trafford served as Vice-President of the First National Bank from 1912 to 1923 and as President from March, 1928, to December, 1929. He was Vice Chairman of the Board from 1929 to 1935 and Chairman from 1935 until his retirement.

Mr. Trafford also was President of the Sterling Ring Traveler Co., Director of the New England Telephone & Telegraph Co. and of the Westport Manufacturing Co. and a member of the corporation of the Suffolk Savings Bank.

Edward M. Crampton, Vice President of the Hartford National Bank and Trust Co., Hartford, Conn., died on Dec. 21 at his home in West Hartford. He was 52 years old. The following regarding his career is from the Hartford "Courant" of Dec. 22.

> Mr. Crampton had been connected with the banking business since the age of 16. In 1905, after a year's work in a local hardware store, Mr. Crampton took a job as office boy at the old Aetna National Bank here. He subsequently became assistant cashier and cashier of the bank when its name was changed to the Hartford Aetna National Bank. When the banking firm merged with the United States Security Trust Company about 12 years ago and became the Hartford National Bank & Trust Co., Mr. Crampton was appointed Vice-President of the bank, the position he held at the time of his death.

Frederick G. Burkardt, Treasurer of the Half Dime Savings Bank, Orange, N. J., will retire on April 1 from that office, the bank announced on Jan. 7. Mr. Burkardt will continue to serve on the Board of Managers, to which he was elected in March, 1938. He became associated with the bank in 1900 as a clerk, later becoming a teller and in 1921 was elected Assistant Treasurer. Upon the retirement of his brother, John A. Burkardt, in 1934, he became Treasurer.

Ross Mathews, President of the Fifth Ward Savings Bank of Jersey City, N. J., died on Jan. 1. He was 54 years old. A native of Jersey City, Mr. Mathews was also President of the Frank J. Mathews Co., a Jersey City realty firm founded by his father. He was elected to the Board of Managers of the Fifth Ward Savings Bank in 1923 and became President in 1929. Mr. Mathews was a Director of the Commercial Trust Co. of New Jersey, Jersey City.

The City Bank and Trust Co., Reading, Pa., has become a member of the Federal Reserve System, effective Dec. 27.

In its annual statement for the year 1941, First Federal Savings & Loan Association of Philadelphia reports total assets amounting to $2,558,423 at the year end, an increase of $862,897, or 51%, for the 12 month period.

Samuel A. Green, Secretary-Manager, reports that the association on Dec. 31, 1941, had saving and investment share accounts amounting to $1,933,554, compared with $1,263,985 the year previous, while reserves and undivided profits were increased from $55,109 to $80,401 at the close of 1941.

First Federal Savings and Loan Association of South Philadelphia reports progress during 1941, closing the year with resources totaling $5,051,801 according to David Shapiro, Assistant Secretary. Home loans, totaling $1,198,785 were arranged for 358 families during one of the most active periods in the association's history. Commenting on the Dec. 31, 1941 statement of condition, Mr. Shapiro pointed out that $79,100 were transferred to reserves, bringing total reserves and undivided profits to $248,414.

The Maries County Bank of Vienna, Mo., became a member of the Federal Reserve System on Dec. 29. The institution, organized in 1900, has a capital of $25,000, surplus of $15,000, and total resources of $342,700. The addition of this bank to the System brings the total membership of the Federal Reserve Bank of St. Louis to 437. The new member was organized in 1900. It has a capital of $25,000, surplus of $15,000, and total resources of $342,700. Its officers are: Leslie Terry, President; D. T. James, Vice President; L. O. Nichols, Cashier, and Travis E. John, Assistant Cashier.

The year-end statement of the Wells Fargo Bank & Union Trust Co., of San Francisco, released on the call of the State Superintendent of Banks, showed further substantial gains in deposits and resources during 1941. Deposits on Dec. 31, 1941, at $338,913,864 were $15,073,980 above the mid-year (June 30) figure, and $22,205,413 higher than a year earlier. Total resources amounted to $366,055,850, an increase of $16,753,795 above June 30, 1941, and $23,138,611 over the 1940 year-end figure. Loans and discounts on Dec. 31, 1941, aggregated $49,626,823, a gain of $10,417,534 since the end of June, and of $10,496,676 during the past year. The bank's holdings of United States Government securities totaled $185,958,503, as compared with $179,512,589 a year earlier. Its cash, at $83.410,889 was $6,292,062 above the Dec. 31, 1940, figure. Undivided profits on Dec. 31, 1941, amounted to $3,012,595, an increase of $137,129 as compared with the figure on the same date a year ago. This brought total capital, surplus and undivided profits to $18,012,595.

Cable advices received from London by the New York representative of Barclays Bank Ltd. of London report that the bank has declared dividends for the year 1941 of 10% on the "A" shares and 14% on the "B" and "C" shares, which are at the same rate distributed for many years. Net profits of Barclays Bank Ltd. for the year 1941 are reported as £1,353.302, which with the amount brought forward from 1940, namely, £546,704 makes a total of £1,900,006. Special appropriations from profits have been made as follows: £200,000 to Contingency Account and £150.000 to Premises Reserve Account for "deferred repairs and reinstatement."

Sees War Program a Threefold Endeavor With Leadership Essential In Each Field

The war program is a threefold job calling for the exercise of military strategy, governmental action and industrial production, with leadership in each field essential, it was declared on Dec. 30 in a luncheon address before the American Statistical Association by Donaldson Brown, Vice-Chairman of General Motors Corp., New York City. In supporting this contention Mr. Brown declared:

> Upon the military strategists we must depend for the determination of the kinds and quantities of the armament required and the necessary timing of its production. Neither industrial managers nor political leaders are competent to make such decisions.
>
> Upon the political leaders we must depend for the necessary legislative and administrative action which will make effective the plans of military strategy through the best use of the nation's human and physical resources. This does not mean that the country's industries should be run by the Government. It does mean that there must be enlightened political statesmanship directed toward an acceptance of governmental policy that will encourage and stimulate the maximum application of the skills, techniques and know-how on the part of management and men engaged in industry.
>
> Upon industrial managers we must depend for direction of the actual production of the war materials required. There must be the greatest possible utilization of existing plants and facilities, and the engagement of these, together with necessary new plants and facilities, in the way that will extend the maximum advantages of experienced management and the applied skills of factory workers.
>
> With industry's primary responsibility lying in the vital field of war material production, it is most encouraging that industry has already been able to bring its productive forces so greatly to bear on this task. Within the period to date, operating under the broad guidance of those responsible for the magnitude and nature of the armament program, our industrial techniques have created a flow of war materials now proving of inestimable value to ourselves and to our allies, and at the same time there has been set in motion a production momentum which will gain acceleration with every passing month.

In speaking on the subject, "Readjustments Required Within Industry Because of the Defense Program," Mr. Brown asserted that industry's task for 1942, which he termed "prodigious," will require "the temporary abandonment of some of the customary yardsticks of industrial accomplishment. The normal purpose of industry in serving the needs and wants of individual consumers is suspended for the duration. Emphasis now must be wholly upon producing the necessities of war." Mr. Brown spoke in support of:

> Curtailment of civilian production wherever necessary to expedite the war effort; the maximum utilization of experienced management and available labor through effective distribution of the production load; an extension of the established practice of subcontracting, with responsibility for the finished product resting with the principal contractor; a safeguarding of the incentive of reasonable rewards for efficient performance as to quantity, quality and cost; a realistic policy of control over prices which recognizes the collateral necessity for controlling costs; and a constructive governmental fiscal policy embracing revenue raising and inflation control.

At the same time that he expressed a hope for labor leadership that will come to show "an understanding of the determined purpose of the American public and the American worker himself," Mr. Brown urged upon industrial management "the obligation to pursue a fair and enlightened attitude in its relationship with employees, and to make its position in this regard known publicly so that acceptance will be commanded by the very force of the popular approval it brings forth." He added:

> We are in the midst of a great emergency. The successful prosecution of the war calls for focusing upon the one single objective of victory all the resources—material, personal and spiritual—that the nation possesses. To an extent never before approached, modern conflict demands production—production in prodigious quantities of a vast variety of materials to back up the courage and fortitude of our armed forces.
>
> The readjustments required within industry, during the period of the emergency, are those that are necessary in serving the vital purposes immediately concerned, without prejudice to the longer ends those purposes involve today and for the future. These readjustments can be made, and the future of America can be assured, if full advantage is taken of the efficiencies inherent in our industrial system, and if the Government will exercise its control and direction over the whole defense effort in such a way that these efficiencies are not impaired. The job of production that is before us is industry's job. The managers of industry are committed to the doing of this job with every resource at their command.

Bureau Takes New Name

The Brazilian Information Bureau of the Government of Brazil, 551 Fifth Ave., New York City, has changed its name to the Brazilian Government Trade Bureau, effective Jan. 1. The new designation, made by authorization of Brazil's Ministry of Labor, is said to be more adequate to the trade promotion activities of this department of the Federal Government of Brazil.

The Bureau's announcement also says:

> It comes as another step in the reorganization and development of this Bureau to better serve all private enterprises interested in the promotion of trade and travel between the United States and Brazil.

ABA Outlines Air Raid Precautions For Banks

Detailed suggestions for air raid protection are given to the banks of the country by the American Bankers Association in the January issue of its "Protective Bulletin," mailed to members of the Association on Jan. 5, in an article entitled, "Blitzes and Blackouts" by James E. Baum, manager of the Insurance and Protective Department.

The article summarizes the precautionary measures taken by a large eastern bank as a result of the experiences of its London office. These measures are divided into three classifications: protection of personnel, protection of securities, currency and records, and protection of building.

Earnings of Manufacturing Workers Rise In November for the 16th Consecutive Month

Average hourly earnings in 25 manufacturing industries increased from 85.3 cents in October to 86.0 cents in November, the 16th consecutive monthly advance, according to an announcement made Jan. 9 by the Division of Industrial Economics of The Conference Board. This was the smallest monthly increase since last August, but average hourly earnings in November were the highest on record and were almost 16% higher than in October, 1940, before the beginning of the recent wave of wage-rate increases. The Board further reported in part:

> Average hours per week per employee decreased from 41.7 in October to 41.5 in November, so that average weekly earnings increased only a little, from $35.65 in October to $35.74 in November. This increase in weekly earnings was less than the increase in the cost of living. Weekly earnings were nevertheless the highest on record. They were $6.01 higher than in November, 1940, although the employees in these 25 industries worked, on the average, only 1.9 hours more than they did in November, 1940.
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> The largest increase in hourly earnings was in the automobile industry, where they amounted to $1.184 in November, as compared with $1.157 in October and 98.9 cents in November, 1940. Hourly earnings in the rubber industry increased 1.5 cents to 96.9 cents from 95.4 cents in October and 88.0 cents in November, 1940. In the machine and machine tool industry they increased 1.5 cents to 90.9 cents from 89.4 cents in October and 78.2 cents in November, 1940. In the woolen industry they increased 1.3 cents to 74.5 cents from 73.2 cents in October and 62.9 cents in November, 1940. Average hourly earnings deceased in five industries, but the largest decrease amounted to only 0.3 cents.
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> The largest increase in average weekly earnings was in the rubber industry, where they amounted to $37.26, as compared with $35.72 in October and $32.17 in November, 1940. The employees in the rubber industry not only earned more per hour, but worked an average of 38.5 hours, as compared with 37.5 hours in October and 36.6 hours in November, 1940. In the silk and rayon industry hourly earnings rose from 58.3 cents in October to 59.5 cents in November, and hours per week per employee rose from 36.7 to 38.4 so that weekly earnings reached a new high record of $22.82, as compared with $21.40 in October and $18.24 in November, 1940. The employees of the northern cotton mills earned $24.81 in November, as compared with $23.75 in October; an increase caused almost entirely by longer working time, which increased from 38.8 to 40.4 hours per week.
>
> Weekly earnings decreased in seven of the 25 industries. The largest decrease was in the iron and steel industry, where weekly earnings declined from $39.32 in October to $37.29 in November, owing to a decrease in working hours from 40.0 to 37.7. The other six decreases were comparatively small and were caused mainly by fewer hours.
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> * * *
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> Nine of the 25 industries averaged less than 40 hours per week per employee in November, the same as in October. It was the some industries which averaged less than 40 hours, except the iron and steel industry, where the hours declined from 40.0 to 37.7, and the northern cotton mills, where they increased from 38.8 to 40.4.
>
> Although the men employed in all 25 industries worked on the average two-tenths of an hour less in November than in October, the women worked three-tenths of an hour longer, so that the weekly earnings of the women rose 45 cents, whereas those of the men were only six cents higher. The weekly earnings of the women amounted to $21.82, a new high record, as compared with $21.37 in October and $18.10 in November, 1940. The weekly earnings of the men averaged $38.45, as compared with $38.39 in October and $31.94 in November, 1940. The skilled and semi-skilled men in 24 of these industries earned $40.73, as compared with $40.70 in October and $33.80 in November, 1940, while the unskilled men earned $30.13, as compared with $30.05 in October and $24.83 in November, 1940.

Federal Reserve Banks Earned Less In 1941

The Board of Governors of the Federal Reserve System announced on Jan. 6 that preliminary figures received from the Federal Reserve Banks indicate that during the year 1941 their current earnings amounted to $41,380,000, which was $2,157,000 less than in 1940. Current expenses amounted to $32,963,000, or $3,798,000 more than in 1940. Resulting current net earnings for 1941 were $8,417,000, as compared with $14,372,000 for 1940. The Board's announcement added:

> After taking into consideration additions to current net earnings, consisting principally of profits on sales of United States Government securities, and deductions from current net earnings for charge-offs on bank premises and reserves for losses on industrial advances and commitments, net earnings totaled $9,137,000 for the year 1941. For the year 1940 net earnings amounted to $25,860,000.
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> Net earnings for 1941 were distributed as follows: Dividends to member banks, $8.430,000; payments to the United States Treasury under provisions of Section 13b of the Federal Reserve Act relating to industrial advances, $141,000; net additions to surplus accounts, $566,000.
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> On Dec. 31, $133,000 was transfererd from surplus to reserves for contingencies.

Cordoba Bond Payment

The Bondholders Committee for City of Cordoba (Argentine Republic) on Dec. 29 informed holders of the city's 7% external sinking fund gold bonds of 1927, due Aug. 1, 1957, that it has directed the depository to distribute $22,767 to the holders of certificates of deposit on account of accrued interest on the unpaid principal. This sum is equivalent to $9.52 per $1,000 deposited bond. This distribution is after the deduction of Committee expenses of $8,065. The total net amount distributed by the Committee during the current calendar year is $56.80 per $1,000 deposited bond, which is smaller than in the previous year due to the fact that, according to word received by the Committee from its Argentine counsel, the City of Cordoba lately has diverted some of the revenues that are pledged as security for the loan and are under attachment by order of the Court. Appropriate legal steps, it is said, are now being taken to correct this condition.

Philippine Assets Frozen

In view of the situation created by the temporary enemy occupation of important parts of the Philippine Islands, the Treasury Department on Jan. 5 issued a public circular calling attention to the fact that Philippine assets have been automatically frozen under the Dec. 26, 1941 amendment to the freezing orders. The Department says:

> The new public circular prescribed that for the purposes of the freezing orders the Philippine Islands should be regarded as if they were a separate blocked country and that Jan. 1, 1942 would be regarded as the efective date of the freezing regulations as applied to the Philippines. This was done to facilitate the administration of freezing control over Philippine assets and also to provide the public with specific standards to guide their compliance with the freezing regulations relating to the Philippines. For all practical purposes this had the same effect as though freezing control had been specifically extended to the Philippine Islands on Jan. 1, 1942.
>
> The public circular also announced that census reports on Form TFR-300 were required to be filed with respect to Philippine assets. Details regarding this requirement will be announced later. Certain general licenses relating to the Philippine Islands were revoked and others were amended. New general licenses were issued dealing with problems arising out of freezing Philippine assets. These general licenses followed the general pattern of documents issued in the past in connection with extending freezing control to a new country.
>
> In view of General License issued Jan. 5, 1942, the freezing restrictions will not affect Philippine citizens within the United States or within the generally licensed trade area.

Residential Construction Decline In 1942 Seen

Private residential building in the United States next year will show a decline of at least 40% according to a survey of members of the Mortgage Bankers Association of America announced on Dec. 27 by Frederick P. Champ, President. A poll, completed just before the outbreak of the war, asked members to estimate the decline in their cities "provided no further governmental restrictions are placed on private residential construction." The advices from the Association also stated:

> Of 61 principal cities reporting, replies from 55 indicate declines ranging from 15% as high as 90%. Members in only six cities anticipate a volume equal to that of 1941 or higher, and all of these were in areas where heavy victory activities are concentrated. The decline expected in the 55 cities averaged 40%.

Mr. Champ also had the following to say:

> This estimated decline is now probably subject to revision as a result of the attack on the United States which has been unparalled in all history for treachery and dishonor. The war naturally means that every ounce of building materials needed for armament production will now go toward winning the war. Thus the decline may be higher than could have been foreseen two weeks ago. Private residential building is one of the bulwarks of our peacetime economy but nothing is so important today as victory.

Text Of The President's Budget Message To Congress

Following we present the full text of the Budget Message delivered to Congress on Jan. 7 by President Roosevelt. The General Budget Summary, a tabulation, which we have taken from the Summary Budget Statements, and which also appears on this page, shows comparatively the estimated receipts and expenditures for the fiscal years 1943 and 1942 and the actual figures for 1941. In another table are shown the expected receipts of the Treasury, according to sources of revenue, in the 1943 and 1942 fiscal years and the actual receipts in 1941.

In our issue of Jan. 8 (first page) we published a summary of President Roosevelt's Budget Message.

To the Congress of the United States:

I am submitting herewith the Budget of the United States for the fiscal year ending June 30, 1943. It is the budget of a nation at war in a world at war.

In practical terms the Budget meets the challenge of the Axis powers. We must provide the funds to man and equip our fighting forces. We must provide the funds for the organization of our resources. We must provide the funds to continue our role as the Arsenal of Democracy.

Powerful enemies must be outfought and outproduced. Victory depends on the courage, skill, and devotion of the men in the American, British, Russian, Chinese, and Dutch forces, and of the others who join hands with us in the fight for freedom. But victory also depends upon efforts behind the lines—in the mines, in the shops, on the farms.

We cannot outfight our enemies unless, at the same time, we outproduce our enemies. It is not enough to turn out just a few more planes, a few more tanks, a few more guns, a few more ships, than can be turned out by our enemies. We must outproduce them overwhelmingly, so that there can be no question of our ability to provide a crushing superiority of equipment in any theater of the World War.

And we shall succeed. A system of free enterprise is more effective than a "order" of concentration camps. The struggle for liberty first made us a Nation. The vitality, strength and adaptability of a social order built on freedom and individual responsibility will again triumph.

The War Program

Our present war program was preceded by a defense effort which began as we emerged from the long depression. During the past 18 months we laid the foundation for a huge armament program. At the same time industry provided ample consumers' goods for a rapidly growing number of workers. Hundreds of thousands of new homes were constructed; the production of consumers' durable goods broke all records. The industrial plant and equipment of the country were overhauled and expanded.

Adjustment to a war program can now be made with greater speed and less hardship. The country is better stocked with durable goods. Our factories are better equipped to carry the new production load. The larger national income facilitates financing the war effort.

There are still unused resources for agricultural and industrial production. These must be drawn into the national effort. Shortages, however, have developed in skilled labor, raw materials, machines, and shipping. Under the expanding war program, more and more productive capacity must be shifted from peacetime to wartime work.

Last year fiscal policy was used to shift the economy into high gear. Today it is an instrument for transforming our peace economy into a war economy. This transformation must be completed with minimum friction and maximum speed. The fiscal measures which I outline in this message are essential elements in the Nation's war program.

War Appropriations

This is a war budget. The details of a war program are, of course in constant flux. Its magnitude and composition depend on events at the battlefronts of the world, on naval engagements at sea, and on new developments in mechanized warfare. Morever, war plans are military secrets.

Under these circumstances I cannot hereafter present details of future war apropriations. However, total appropriations and expenditures will be published so that the public may know the fiscal situation and the progress of the Nation's effort.

The defense program, including appropriations, contract authorizations, recommendations, and commitments of Government corporations, was 29 billion dollars on Jan. 3, 1941. During the last 12 months 43 billion dollars have been added to the program. Of this total of 75 billion dollars there remains 24 billion dollars for future obligation.

In this Budget I make an initial request for a war appropriation of 13.6 billion dollars for the fiscal year 1943. Large supplemental requests will be made as we move toward the maximum use of productive capacity. Nothing short of a maximum will suffice. I cannot predict ultimate costs because I cannot predict the changing fortunes of war. I can only say that we are determined to pay whatever price we must to preserve our way of life.

War Expenditures

Total war expenditures are now running at a rate of 2 billion dollars a month and may surpass 5 billion dollars a month during the fiscal year 1943. As against probable budgetary war expenditures of 24 billion dollars for the current fiscal year, our present objective calls for war expenditures of nearly 53 billion dollars for the fiscal year 1943. And in addition, net outlays of Government corporations for war purposes are estimated at about 2 and 3 billion dollars for the current and the next fiscal year, respectively.

These huge expenditures for ships, planes, and other war equipment will require prompt conversion of a large portion of our industrial establishment to war production. These estimates reflect our determination to devote at least one-half of our national production to the war effort.

The agencies responsible for the administration of this vast program must make certain that every dollar is speedily converted into a maximum of war effort. We are determined to hold waste to a minimum.

The Civil Functions of Government

In a true sense, there are no longer nondefense expenditures. It is a part of our war effort to maintain civilian services which are essential to the basic needs of human life. In the same way it is necessary in wartime to conserve our natural resources and keep in repair our national plant. We cannot afford waste or destruction, for we must continue to think of the good of future generations of Americans. For example, we must maintain fire protection in our forests; and we must maintain control over destructive floods. In the preparation of the present Budget, expenditures not directly related to the war have been reduced to a minimum or reoriented to the war program.

We all know that the war will bring hardships and require adjustment. Assisting those who suffer in the process of transformation and taxing those who benefit from the war are integral parts of our national program.

It is estimated that expenditures for the major Federal assistance programs—farm aid, work relief, youth aid—can be reduced by 600 million dollars from the previous to the current fiscal year, and again by 860 million dollars from the current to the next fiscal year. These programs will require 1.4 billion dollars during the fiscal year 1943, about one-half of the expenditures for these purposes during the fiscal year 1941.

Improved economic conditions during the current year have made possible the execution of economic and social programs with smaller funds than were originally estimated. By using methods of administrative budget control, 415 million dollars of appropriations for civil purposes have been placed in reserves.

Excluding debt charges and grants under the Social Security law, total expenditures for other than direct war purposes have been reduced by slightly more than 1 billion dollars in the next fiscal year.

Agricultural aid.—I purpose to include contract authorizations in the Budget to assure the farmer a parity return on his 1942 crop, largely payable in the fiscal year 1944. I do not suggest a definite appropriation at this time because developments of farm income and farm prices are too uncertain. Agricultural incomes and prices have increased and we hope to limit the price rise of the products actually bought by the farmer. But if price developments should turn against the farmer an appropriation will be needed to carry out the parity objective of the Agricultural Adjustment Act.

The remaining expenditures for the agricultural program are being brought into accord with the war effort. Food is an essential war material. I propose to continue the soil conservation and use program on a moderately reduced scale. Acreage control by cooperative efforts of farmer and Government was inaugurated in a period of overproduction in almost all lines of farming. Then its major objective was the curtailment of production to halt a catastrophic decline in farm prices. At present, although there is still excess production in some types of farming, serious shortages prevail in other types. The present program is designed to facilitate a balanced increase in production and to aid in controlling prices.

Work projects.—The average number of WPA workers was two million in the fiscal year 1940, the year before the defense program started; the average has been cut to one million this year. With increasing employment a further considerable reduction will be possible. I believe it will be necessary to make some provision for work relief during the next year. I estimate tentatively that 465 million dollars will be needed for WPA, but I shall submit a specific request later in the year. Workers of certain types and in certain regions of the country probably will not all be absorbed by war industries. It is better to provide useful work for the unemployed on public projects than to lose their productive power through idleness. Wherever feasible they will be employed on war projects.

Material shortages are creating the problem of "priority unemployment." I hope the workers affected will be reemployed by expanding war industries before their unemployment compensation ceases. Some of the workers affected will not, however, be eligible for such compensation and may be in need of assistance.

Rather than rely on relief a determined effort should be made to speed up reemployment in defense plants. I have, therefore, instructed the Office of Production Management to join the procurement agencies in an effort to place contracts with those industries forced to cut their peacetime production. The ingenuity of American management has already adapted some industries to war production. Standardization and substitution are doing their part in maintaining production. Ever-increasing use of subcontracts, pooling of industrial resources, and wider distribution of contracts are of paramount importance for making the fullest use of our resources. The newly nationalized Employment Service will greatly help unemployed workers in obtaining employment.

Aids to youth.—Under war conditions there is need and opportunity for youth to serve in many ways. It is therefore possible to make a considerable reduction in the programs of the Civilian Conservation Corps and the National Youth Administration. The youth, too, will be aided by the United States Employment Service in finding employment opportunities.

Although I am estimating 100 million dollars for these two agencies, excluding 50 million dollars for defense training, it is probable that the total amount will not be needed. I am postponing until next spring pres-

GENERAL BUDGET SUMMARY

Comparative Statement of Receipts and Expenditures—Cash Basis

GENERAL AND SPECIAL ACCOUNTS

Classification	Estimated, Fiscal Year 1943	Estimated, Fiscal Year 1942	Actual, Fiscal Year 1941
I. Receipts (Schedule No. 1):			
1. Internal revenue	$17,261,367,000	$12,198,665,000	$7,361,674,982
2. Railroad Unemployment Insurance Act	9,500,000	8,500,000	6,814,717
3. Customs	297,000,000	368,000,000	391,870,013
4. Return of surplus funds from Government corporations	----------	----------	319,207,200
5. Other	284,223,000	240,915,000	188,945,672
Gross receipts	$17,852,090,000	$12,816,080,000	$8,268,512,585
Deduct net appropriation for Federal old-age and survivors insurance trust fund	1,364,890,000	872,087,000	661,300,733
Net receipts	$16,487,200,000	$11,943,993,000	$7,607,211,852
II. Expenditures (Schedule No. 2):			
1. Legislative, judicial & exec.	43,487,800	41,329,300	38,497,649
2. Civil depts. and agencies	797,445,700	844,470,700	782,456,994
Post Off. Dept., deficiency	----------	14,000,000	30,130,553
3. Gen'l Pub. Works Program	578,231,000	713,523,500	573,056,675
4. National defense	52,786,186,000	23,996,525,400	6,301,043,165
5. Vets. pensions and benefits	590,037,000	578,116,000	559,255,646
6. Aids to agriculture:			
Gross expenditures	854,050,000	1,117,082,000	1,094,203,136
Return of surplus funds from Govt. corps.	----------	----------	*315,000,000
7. Aids to youth	100,000,000	235,095,000	347,204,163
8. Social security	537,825,000	462,045,000	444,446,546
9. Work relief:			
Gross expenditures	480,075,000	942,430,000	1,451,910,183
Return of surplus funds from Govt. corps.	----------	----------	*14,000,000
10. Refunds	87,005,000	89,002,000	89,667,290
11. Interest on the public debt	1,750,000,000	1,250,000,000	1,110,692,811
12. Retirement funds	298,599,800	267,177,262	217,065,000
13. Supplemental items regular	25,000,000	25,000,000	----------
Total expenditures, excluding debt retirement	$58,927,992,300	$30,575,796,162	$12,710,629,823
III. Budget deficit under present tax legislation	42,440,792,300	18,631,803,162	5,103,417,971
IV. Receipts from proposed tax legis.	†7,000,000,000	----------	----------
V. Budget deficit under proposed tax legislation	35,440,792,300	18,631,803,162	5,103,417,971
VI. Debt retirement	100,000,000	100,000,000	64,260,500
VII. Gross deficit	35,540,792,300	18,731,803,162	5,167,678,471

Effect of Operations on the Public Debt

	Estimated, Fiscal Year 1943	Estimated, Fiscal Year 1942	Actual, Fiscal Year 1941
Public debt at beginning of year (Schedule No. 4)	$70,612,246,697	$48,961,443,535	$42,967,531,037
Increase in public debt during year:			
To meet Budget deficit above	35,440,792,300	18,631,803,162	5,103,417,971
To purchase obligations of governmental corporations	4,368,000,000	3,019,000,000	----------
Increase in working balance, general and special accounts (Schedule No. 3)	----------	----------	890,494,526
Net increase in public debt during year	$39,808,792,300	$21,650,803,162	$5,993,912,498
Public debt at end of year	110,421,038,997	70,612,246,697	48,961,443,535

*Credits, deduct. †From new taxes only. The net excess in social security trust funds is estimated to be $2,000,000,000 in 1943 under proposed new legislation.

TOTAL RECEIPTS BY SOURCES OF REVENUE

[In millions of dollars]

General and special accounts	Estimated, 1943	Estimated, 1942	Actual, 1941
Income taxes	11,316.0	7,147.0	3,469.6
Miscellaneous internal-revenue taxes	4,206.5	3,863.0	2,966.0
Employment taxes	1,738.9	1,188.7	925.2
Railroad Unemployment Insurance Act	9.5	8.5	6.3
Customs	297.0	368.0	391.9
Miscellaneous revenues and receipts	284.2	240.9	508.2
Total	17,852.1	12,816.1	8,268.5

entation to the Congress of specific recommendations as to youth aid.

Public works program.—The public works program is being fully adjusted to the war effort. The general program of 578 million dollars includes those projects necessary for increasing production of hydroelectric power, for flood control, and for river and harbor work related to military needs. Federal aid for highways will be expended only for construction essential for strategic purposes. Other highway projects will be deferred until the post-war period. For all other Federal construction I am restricting expenditures to those active projects which cannot be discontinued without endangering the structural work now in progress.

Civil departments and agencies.—The work of the civil departments and agencies is undergoing thorough reorientation. Established agencies will be used to the greatest possible extent for defense services. Many agencies have already made such readjustment. All civil activities of the Government are being focused on the war program.

Federal grants and debt service.—A few categories of civil expenditures show an increase. Under existing legislation Federal grants to match the appropriations for public assistance made by the individual States will increase by 73 million dollars. I favor an amendment to the Social Security Act which would modify matching grants to accord with the needs of the various States. Such legislation would probably not affect expenditures substantially during the next fiscal year.

Because of heavy Federal borrowing, interest charges are expected to increase by 139 million dollars in the current fiscal year, and by another 500 million dollars in the fiscal year 1943. Debt service is, of course, affected by war spending.

Coordination of Fiscal Policies

The fiscal policy of the Federal Government, especially with respect to public works, is being reinforced by that of State and local governments. Executive committees of the Council of State Governments and the Governors' Conference have issued excellent suggestions for harmonizing various aspects of State and local fiscal policy with national objectives. These governments are readjusting many of their services so as to expedite the war program. Many are making flexible plans for the post-war readjustment and some are accumulating financial reserves for that purpose. The larger the scale of our war effort, the more important it becomes to provide a reservoir of post-war work by business and by Federal, State, and local governments.

Financing the War

Determination, skill, and materiel are three great necessities for victory. Methods of financing may impair or strengthen these essentials. Sound fiscal policies are those which will help win the war. A fair distribution of the war burden is necessary for national unity. A balanced financial program will stimulate the productivity of the Nation and assure maximum output of war equipment.

With total war expenditures, including net outlays of Government corporations, estimated at 26 billion dollars for the current fiscal year and almost 56 billion dollars for the fiscal year 1943, war finance is a task of tremendous magnitude requiring a concerted program of action.

Receipts Under Present Legislation

Total receipts from existing tax legislation will triple under the defense and war programs. They are expected to increase from 6 billion dollars in the fiscal year 1940 to 18 billion dollars in the fiscal year 1943. This increase is due partly to the expansion of economic activities and partly to tax legislation enacted during the last 2 years. As we approach full use of our resources, further increases in revenue next year must come predominantly from new tax measures rather than from a greater tempo of economic activity. Taxes on incomes, estates, and corporate profits are showing the greatest increase. Yields from employment taxes are increasing half as fast; and the yields from excise taxes are increasing more slowly; customs are falling off. On the whole, our tax system has become more progressive since the defense effort started.

DEVELOPMENT OF MAJOR SOURCES OF FEDERAL RECEIPTS COMPARED WITH FISCAL YEAR 1940

[Indexes, 1940 = 100]

Source—	(actual) 1940	(actual) 1941	(estimated) 1942	(estimated) 1943
Corporate taxes	100	173	328	519
Individual income and estate taxes	100	136	275	405
All employment taxes	100	111	143	209
Excise taxes	100	128	167	184
Miscellaneous receipts	100	*70	90	106
Customs duties	100	112	106	85
Gross receipts	100	134	216	300

*Excludes return of surplus funds by Government corporations.

Deficits Under Present Laws

The estimate of deficits must be tentative and subject to later revision. The probable net outlay of the Budget and Government corporations, excluding revenues from any new taxes, will be 20.9 billion dollars for the current fiscal year, and 45.4 billion dollars for the fiscal year 1943. Borrowing from trust funds will reduce the amounts which must be raised by taxation and borrowing from the public by about 2 billion dollars in the fiscal year 1942 and 2.8 billion dollars in the fiscal year 1943.

FINANCING OF FEDERAL OPERATIONS, FISCAL YEARS 1940-1943

[In millions]

Classification—	1943 (estimated)	1942 (estimated)	1941 (actual)	1940 (actual)
A. Summary of Federal Operations:				
I. Budget deficit under present tax legislation	$42,440.8	$18,631.8	$5,103.4	$3,611.1
II. Government corporations (net outlays)	2,941.0	2,220.0	*1,148.8	200.1
Net outlays of Budget and Govt. corps. (I+II)	45,381.8	20,851.8	6,252.2	3,811.2
III. Trust funds:				
Deduct excess of receipts over disbursements under present legislation†	2,763.9	2,018.3	1,385.3	1,159.3
Combined net cash requirements (I+II—III)‡	42.617.9	18.833.5	4 866 9	2.651.9
B. Financing Combined Net Cash Requirements:				
By borrowing from the public (net):				
Government issues	34,913.1	19,528.1	4,602.3	1.380.4
Government corporation issues	*a*1,297.8	*a*710.1	972.8	318.7
Subtotal	33,615.3	18.818.0	5,575.1	1,699.1
Under proposed legislation:				
Taxes	7,000.0	------	------	------
Increase in social security trust funds§	2,000.0	------	------	------
Total	42,615.3	18,818.0	5,575.1	1,699.1
Adjustment for changes in cash balances during year	2.6	15.5	*a*708.2	952.3
Total financing	42,617.9	18,833.5	4,866.9	2,651.9

*a*Deduct. *Includes return of surplus funds to the Budget. †Almost all of this excess is invested in Government bonds. ‡Includes interest accrued on U. S. savings bonds. §This increase to be invested in Government bonds.

In estimating expenditures and receipts, only a moderate rise in prices has been assumed. Since expenditures are affected by rising prices more rapidly than are revenues, a greater price increase would further increase the deficit.

The Need for Additional Taxes

In view of the tremendous deficits, I reemphasize my request of last year that war expenditures be financed as far as possible by taxation. When so many Americans are contributing all their energies and even their lives to the Nation's great task, I am confident that all Americans will be proud to contribute their utmost in taxes. Until this job is done, until this war is won, we will not talk of burdens.

I believe that 7 billion dollars in additional taxes should be collected during the fiscal year 1943. Under new legislation proposed later in this Message, social security trust funds will increase by 2 billion dollars. Thus new means of financing would provide a total of 9 billion dollars in the fiscal year 1943.

Specific proposals to accomplish this end will be transmitted in the near future. In this Message I shall limit my recommendations on war finance to the broad outline of a program.

Tax programs too often follow the line of least resistance. The present task definitely requires enactment of a well-balanced program which takes account of revenue requirements, equity, and economic necessities.

There are those who suggest that the policy of progressive taxation should be abandoned for the duration of the war because these taxes do not curtail consumers' demand. The emergency does require measures of a restrictive nature which impose sacrifices on all of us. But such sacrifices are themselves the most compelling argument for making progressive taxes more effective. The anti-inflationary aspect of taxation should supplement, not supplant, its revenue and equity aspects.

Progressive Taxes

Progressive taxes are the backbone of the Federal tax system. In recent years much progress has been made in perfecting income, estate, gift, and profit taxation but numerous loopholes still exist. Because some taxpayers use them to avoid taxes, other taxpayers must pay more. The higher the tax rates the more urgent it becomes to close the loopholes. Exemptions in estate and gift taxation should be lowered. The privileged treatment given certain types of business in corporate income taxation should be reexamined.

It seems right and just that no further tax-exempt bonds should be issued. We no longer issue United States tax-exempt bonds and it is my personal belief that the income from State, municipal, and authority bonds is taxable under the income-tax amendment to the Constitution. As a matter of equity I recommend legislation to tax all future issues of this character.

Excessive profits undermine unity and should be recaptured. The fact that a corporation had large profits before the defense program started is no reason to exempt them now. Unreasonable profits are not necessary to obtain maximum production and economical management. Under war conditions the country cannot tolerate undue profits.

Our tax laws contain various technical inequities and discriminations. With taxes at wartime levels, it is more urgent than ever to eliminate these defects in our tax system.

Anti-Inflationary Taxes

I stated last year in the Budget Message that extraordinary tax measures may be needed to "aid in avoiding inflationary price rises which may occur when full capacity is approached." The time for such measures has come. A well-balanced tax program must include measures which combat inflation. Such measures should absorb some of the additional purchasing power of consumers and some of the additional funds which accrue to business from increased consumer spending.

A number of tax measures have been suggested for that purpose, such as income taxes collected at the source, pay-roll taxes, and excise taxes. I urge the Congress to give all these proposals careful consideration. Any tax is better than an uncontrolled price rise.

Taxes of an anti-inflationary character at excessive rates spell hardship in individual cases and may have undesirable economic repercussions. These can be mitigated by timely adoption of a variety of measures, each involving a moderate rate of taxation.

Any such tax should be considered an emergency measure. It may help combat inflation! its repeal in a post-war period may help restore an increased flow of consumers' purchasing power.

Excise taxes.—All through the years of the depression I opposed general excise and sales taxes and I am as convinced as ever that they have no permanent place in the Federal tax system. In the face of the present financial and economic situation, however, we may later be compelled to reconsider the temporary necessity of such measures.

Selective excise taxes are frequently useful for curtailing the demand for consumers' goods, especially luxuries and semi-luxuries. They should be utilized when manufacture of the products competes with the war effort.

Pay-roll taxes and the social security program.—I oppose the use of pay-roll taxes as a measure of war finance unless the worker is given his full money's worth in increased social security. From the inception of the social security program in 1935 it has been planned to increase the number of persons covered and to provide protection against hazards not initially included. By expanding the program now, we advance the organic development of our social security system and at the same time contribute to the anti-inflationary program.

I recommend an increase in the coverage of old-age and survivors' insurance, addition of permanent and temporary disability payments and hospitalization payments beyond the present benefit programs, and liberalization and expansion of unemployment compensation in a uniform national system. I suggest that collection of additional contributions be started as soon as possible, to be followed 1 year later by the operation of the new benefit plans.

Additional employer and employee contributions will cover increased disbursements over a long period of time. Increased contributions would result in reserves of several billion dollars for post-war contingencies. The present accumulation of these contributions would absorb excess purchasing power. Investment of the additional reserves in bonds of the United States Government would assist in financing the war.

The existing administrative machinery for collecting pay-roll taxes can function immediately. For this reason Congressional consideration might be given to immediate enactment of this proposal, while other necessary measures are being perfected.

I estimate that the social security trust funds would be increased through the proposed legislation by 2 billion dollars during the fiscal year 1943.

Flexibility in the Tax System

Our fiscal situation makes imperative the greatest possible flexibility in our tax system. The Congress should consider the desirability of tax legislation which makes possible quick adjustment in the timing of tax rates and collections during an emergency period.

Borrowing and the Menance of Inflation

The war program requires not only substantially increased taxes but also greatly increased borrowing. After adjusting for additional tax collections and additional accumulation in social security trust funds, borrowing from the public in the current and the next fiscal year would be nearly 19 billion dollars and 34 billion dollars, respectively. The adjustments are indicated in the preceding table.

Much smaller deficits during the fiscal year 1941 were associated with a considerable increase in prices. Part of this increase was a recovery from depression lows. A moderate price rise, accompanied by an adjustment of wage rates, probably facilitated the increase in production and the defense effort. Another part of the price rise, however, was undesirable and must be attributed to the delays in enacting adequate measures of price control.

With expenditures and deficits multiplied, the threat of inflation will apparently be much greater. There is, however, a significant difference between conditions as they were in the fiscal year 1941 and those prevailing under a full war program. Last year, defense expenditures so stimulated private capital outlays that intensified use of private funds and private credit added to the inflationary pressure created by public spending.

Under a full war program, however, most of the increase in expenditures will replace private capital outlays rather than add to them. Allocations and priorities, necessitated by shortages of material, are now in operation; they curtail private outlays for consumers' durable

(Continued on page 228)

Text Of The President's Budget Message To Congress

(Continued from page 227)

goods, private and public construction, expansion and even replacements in non-defense plant and equipment. These drastic curtailments of non-defense expenditures add, therefore, to the private funds available for noninflationary financing of the Government deficit.

This factor will contribute substantially to financing the tremendous war effort without disruptive price rises and without necessitating a departure from our low-interest-rate policy. The remaining inflationary pressure will be large but manageable. It will be within our power to control it if we adopt a comprehensive program of additional anti-inflationary measures.

A Comprehensive Anti-Inflationary Program

A great variety of measures is necessary in order to shift labor, materials, and facilities from the production of civilian articles to the production of weapons and other war supplies. Taxes can aid in speeding these shifts by cutting non-essential civilian spending. Our resources are such that even with the projected huge war expenditures we can maintain a standard of living more than adequate to support the health and productivity of our people. But we must forego many conveniences and luxuries.

The system of allocations—rationing on the business level—should be extended and made fully effective, especially with relation to inventory control.

I do not at present propose general consumer ration cards. There are not as yet scarcities in the necessities of life which make such a step imperative. Consumers' rationing has been introduced, however, in specific commodities for which scarcities have developed. We shall profit by this experience if a more general system of rationing ever becomes necessary.

I appeal for the voluntary cooperation of the consumer in our national effort. Restraint in consumption, especially of scarce products, may make necessary fewer compulsory measures. Hoarding should be encouraged in only one field, that of defense savings bonds. Economies in consumption and the purchase of defense savings bonds will facilitate financing war costs and the shift from a peace to a war economy.

An integrated program, including direct price controls, a flexible tax policy, allocations, rationing, and credit controls, together with producers' and consumers' cooperation will enable us to finance the war effort without danger of inflation. This is a difficult task. But it must be done and it can be done.

The Increase in the Federal Debt

On the basis of tentative Budget estimates, including new taxes, the Federal debt will increase from 43 billion dollars in June 1940, when the defense program began, to 110 billion dollars 3 years later. This increase in Federal indebtedness covers also the future capital demands of Government corporations. About 2 billion dollars of this increase will result from the redemption of notes of Government corporations guaranteed by the Federal Government.

These debt levels require an increase in the annual interest from 1 billion dollars in 1940 to above 2.5 billion dollars at the end of fiscal year 1943. Such an increase in interest requirements will prevent us for some time after the war from lowering taxes to the extent otherwise possible. The import of this fact will depend greatly on economic conditions in the post-war period.

Paying 2.5 billion dollars out of an extremely low national income would impose an excessive burden on taxpayers while the same payment out of a 100-billion-dollar national income, after reduction of armament expenditures, may still permit substantial tax reductions in the post-war period.

If we contract a heavy debt at relatively high prices and must pay service charges in a period of deflated prices, we shall be forced to impose excessive taxes. Our capacity to carry a large debt in a post-war period without undue hardship depends mainly on our ability to maintain a high level of employment and income.

I am confident that by prompt action we shall control the price development now and that we shall prevent the recurrence of a deep depression in the post-war period. There need be no fiscal barriers to our war effort and to victory.

FRANKLIN D. ROOSEVELT.
Jan. 5, 1942.

Urges Lehman Support Federal Tax Deduction On State Returns

Governor Lehman was urged on Dec. 30 by the Committee on Taxation of the Chamber of Commerce of the State of New York to recommend in his budget message to the Legislature that Federal income tax payments be made deductible in computing State income tax returns and that taxpayers should be permitted to pay their State income levies in four instalments. An interim report of the committee, of which William J. Schieffelin, Jr. is Chairman, which was made public by the Chamber said that taxpayers were entitled to this relief "as a matter of right and justice," and added:

> The heavy burden of Federal taxation which defense and the lend-lease program already has placed on the taxpayers—a burden which will be increased immeasurably now that the nation is engaged in the greatest war in history—makes it imperative that the State should make a maximum effort to lighten State taxation. This, in effect, will be a direct contribution to the war effort, for the less the State takes from its taxpayers the more they will have available to help pay the cost of the war and to invest in defense bonds and to make needful contributions to the Red Cross and other humanitarian and war-relief agencies.
>
> In the life and death struggle the nation now is engaged in, it is the duty of the State Government to save its taxpayers every dollar that is possible without detriment to war-emergency measures and activities and without crippling the normal functions of government which are vitally essential to the health, welfare and protection of its citizens. Just as the war demands extreme sacrifices by all the people, so it must necessitate abandonment by the State of many services which are desirable and even needful in peace times.
>
> Enactment of the proposed amendments to the State Income Tax law will help, in some measure, to ease the burden of those who pay the cost of the Government of New York State.

United States Industry Quickly Accepts President's War Production Program

Following President Roosevelt's address to Congress on Jan. 6, setting forth the nation's war production goals for 1942 and 1943, American industry accepted the call for more planes, tanks, guns and ships to accomplish final and complete victory over the Axis Powers.

In a joint statement, William S. Knudsen, Director General, and Sidney Hillman, Associate Director General of the Office of Production Management, said:

> The President has set our goal.
>
> We have raised our sights to meet it.
>
> We'll give our fighting men the 60,000 planes in 1942.
>
> We'll give them the 45,000 tanks.
>
> They'll get the 20,000 anti-aircraft guns.
>
> And we'll deliver the 8,000,000 tons of ships.
>
> These things we will do together. They will come from the minds, the hearts and the hands of 130,000,000 free men, women and children.
>
> Only a free people can achieve such goals.
>
> We can do it.
>
> We will do it.

Albert W. Hawkes, President of the Chamber of Commerce of the United States, said that "business accepts the call." His statement follows:

> The President's speech to Congress today was made after consultation with Mr. Churchill and other Allied representatives. The vast number of business men and industrialists, represented by the Chamber of Commerce of the United States, has pledged to the President and the United States Government the full support of 1,689 great organizations located in every section of the United States involving millions of workers in management.
>
> The President's statement of objective as set forth today only emphasizes the necessity of full speed ahead in production to the limit of ability of every man and woman in the United States able to work.
>
> It is inconceivable that this nation would take the position it has in support of individual freedom and the representative democratic way of life unless it is determined to carry through to final and complete victory in order to protect these things which include our American way of life.
>
> The management of industry and business, cooperating fully with labor and the Government, will do everything to the limit of its ability to aid in accomplishing the objectives set forth by the President.
>
> All Americans must immediately come to a realization of the fact that General Sherman was right when he said "War is hell." War involves the temporary submerging of individual rights, hard work, sacrifice, sorrow and loyal support to those charged with the responsibility of the cause. A divided people cannot be a victorious people, and the prize of freedom justifies all these sacrifices and complete unity in defense of freedom.
>
> Business accepts the call to patriotic duty.

Col. John H. Jouett, President of the Aeronautical Chamber of Commerce of America, said that the President had not demanded the impossible when he asked aircraft makers to outbuild the Axis Powers three-to-one in 1943. He further commented as follows:

> I cannot over-emphasize the effort ahead, nor can I exaggerate the result which will be apparent within the coming months. I can say now with every assurance that the American aircraft industry, aided by upward of 50 allied industries in the United States, and this includes the great and powerful automobile industry, will produce 60,000 airplanes, including 45,000 combat aircraft, during this calendar year; and the 125,000, including 100,000 combat planes, requested by the President for 1943.
>
> In this assertion we have every reason to believe that the American people will stand behind our industry as one man. Air power, American air power, already represented by American aircraft fighting on all fronts throughout the world, will win victory; and that victory will come to us much more quickly than our enemies appear to believe.

Some other comments by industrial leaders follow, according to the Associated Press:

HENRY FORD—Given a continuous flow of materials and no interruption to labor's cooperation, the production phases of the President's program are entirely practicable. Industry can and will produce 60,000 planes, 45,000 tanks and huge quantities of anti-aircraft guns this year. By 1943 we will have gotten into our stride so that stepping-up this program will be simple. With that greater program under way, the war should come to a speedy end, perhaps in 1943.

WALTER D. FULLER, Chairman of the Board, National Association of Manufacturers—Industry will produce, produce and produce to the end that victory will be swift and sure.

WILLIAM P. WITHEROW, President, National Association of Manufacturers—If it's within the realm of possibility, it will be done. This is a battle of factories. American industry will do everything it can.

WILLIAM S. TOWER, President American Iron and Steel Institute—Present steel-making capacity of approximately 88,000,000 tons in this country alone means we can produce 50% more than can be made in Germany, Italy, Japan and all the conquered European countries put together.

NATIONAL COUNCIL OF AMERICAN SHIPBUIDERS—The shipbuilding industry, given a constant flow of materials, equipment and uninterrupted service of labor, can and will meet the huge ship constructive objective. Already there are more ships under construction in the United States than ever before in the history of any maritime nation.

Chicago Home Loan Bank Dividend Totals $145,000

Dividends for the last half of 1941 will be paid by the Federal Home Loan Bank of Chicago at the rate of 1½% per annum on stock as of record Dec. 31, bringing the amount earned on the stock now held by the Reconstruction Finance Corporation up past the $2,000,000 mark for the nine years of the Bank's operations. A. R. Gardner, President of the Bank, announces that checks totaling $145,000 have been mailed to 454 member savings, building and loan associations in Illinois and Wisconsin and to the RFC. The latter now holds title to the stock originally purchased by the United States Treasury, and receives $106,300 of the current disbursement. It is also stated that member institutions will have received a total of $521,389 in the lifetime of the Bank with the payment of this year-end's dividend. These community associations have steadily increasd their percentage of the capital stock of the regional bank so that they now own 29%.

Raw Cane Sugar Quota Hearings On Jan. 16

A public hearing to allot 1942 raw sugar supplies for further processing will be held at Washington, D. C., Jan. 16, in the West Ballroom of the Shoreham Hotel at 10 a.m., the Department of Agriculture announced on Jan. 5; the announcement also said:

> The purpose of the hearing is to receive evidence which will help the Secretary of Agriculture make a fair, efficient and equitable distribution of 1942 raw cane sugar quota supplies among refiners of mainland cane sugar and among persons who import or bring in offshore sugar for further processing.
>
> Involved is sugar produced in the mainland cane area of Louisiana and Florida, and sugar brought in or imported from Hawaii, Puerto Rico, the Virgin Islands, Cuba and other foreign countries, according to the Sugar Division of the Agricultural Adjustment Administration.
>
> Officials pointed out that this is the first time such allotments have been undertaken under the Sugar Act of 1937. In prior years, the allotment authority of the Secretary has been applied only to producers.

Treasury List Reveals $200,000,000 Foreign Held Strategic Materials

Secretary of the Treasury Morgenthau has placed at the disposal of Vice President Wallace, Chairman of the Supply, Priorities and Allocation Board, an inventory of $200,000,000 of materials for America's war effort, the cache of the Department's Foreign Funds Control, according to a Treasury announcement issued Jan. 4, which also said:

> The itemized inventory, which included all sorts of goods and merchandise, machinery and equipment, will make it possible for SPAB and other Government agencies to direct these materials, much of which is strategic, into the allied war effort.
>
> At the same time the Secretary indicated that the inventory covered only a part of the strategic materials held for foreign account and buried in warehouses, sheds and factories throughout the country. The complete inventory, it is said, probably will represent a much larger figure.

"Ferreting out stocks of strategic materials 'lost' in the United States is an effective way of adding immediately to the nation's stock piles during a period when our supply lines abroad are interrupted by war," the Secretary said. "This is but one of the many war time measures Foreign Funds Control in the Treasury has undertaken."

The Secretary explained that these vital materials uncovered by Foreign Funds Control were "lost" in the United States either through accident or design on the part of their foreign owners. The announcement added:

> In some cases the foreign owner could not communicate with the United States because of communication difficulties arising out of war conditions abroad. In other cases the owner was the victim of the Axis invasion and his whereabouts unknown. In still other instances the Axis powers through "dummies" actually had bought up the stocks for their own use before the war or had acquired them later for the express purpose of preventing their use in the Allied war machine. Regardless of the intent of the foreign owner, the result was the same—the supplies were not being used in our war effort.

Defense Bond Sales In December Reach Record Total, Secretary Morgenthau Reports

Cash receipts at the Treasury from the sale of Defense Savings Bonds in December reached a total of $528,599,000, Secretary Morgenthau announced on Jan. 4. This record figure for a single month, it is pointed out, compared with receipts of $233,487,000 in November, and was almost twice as high as the average for the seven months since Defense Savings Bonds first went on sale in May. The December sales boosted the total receipts since May 1 to $2,537,210,000.

Sales of the series "E" bonds, the successors to the old "baby bonds," accounted for $341,085,000 of the December receipts. This was more than three times the November figure of $109,475,000 from the sale of series "E" bonds, and was more than three times the average of the seven months since May 1. As to Secretary Morgenthau's comments, a release from the Treasury Department said:

> In a nation-wide broadcast on Jan. 4, Secretary Morgenthau hailed the December figures as "just one sample of what the American people will do, in every field of the war effort, now that they are awake and aroused to their country's danger."
>
> The war effort in December, however, cost about four times as much as the total receipts from Defense Bonds in the month, Mr. Morgenthau said, and in months to come the Government will spend "at a far greater and ever-increasing rate." The President's recent statement on the war production program, said the Secretary, "foreshadowed such huge expenditures in the coming year that even the half billion dollar record you established in the purchase of Defense Bonds in December will seem to be almost insignificant."
>
> "War is never cheap," said Secretary Morgenthau, "but let me remind you that it's a million times cheaper to win than to lose. The French, the Czechs, the people of a dozen conquered and ravaged countries, can tell us what it costs to lose. We have made up our minds to win. We have made up our minds to produce and to fight with such an overwhelming number of planes, of ships, of tanks, of guns and of trained and fully-equipped men, that the Nazis and the Japanese and their kind can never again threaten our freedom.
>
> "The cost of our war effort should frighten no one but our enemies."
>
> Emphasizing the importance of systematic saving from current income, and particularly of the voluntary payroll saving plans now in operation in thousands of factories, the Secretary said:
>
> "I am in dead earnest when I say that millions more must take part in these payroll saving plans, and must invest hundreds of millions of dollars more, if we are to do our job. Our plans at the Treasury for financing the war are based upon a belief that the American people will want to assume a big share of the cost of the war, of their own free will. The response to payroll saving will tell us whether that belief is right or wrong.
>
> "I have such faith in the American people that I believe they will want to do the job in the voluntary way—but it is up to you to prove it."
>
> The Treasury's goal, he went on, is "to make every pay day Bond Day," and to have "every wage-earner and salary-earner put aside a part of every pay check, every week, for the purchase of Defense Bonds and Stamps."
>
> "And when I say 'a part' I do not mean a mere token contribution of a few nickels every week, or the mere contribution of 1% or 2% of the weekly pay check," said Mr. Morgenthau. "This is not a token war. It is not a 2% war. It is not a war that can be won with spare change.
>
> "Remember, the more bonds we buy, the more planes will fly. Remember, every bond we pledge ourselves to buy will add to the weight of the bombs that will fall on Tokyo and Berlin."
>
> The Secretary said that the Bureau of Engraving and Printing had been placed on a three-shift, 24-hour basis to cope with the bond-buying rush which began to develop shortly after the Japanese attack on Pearl Harbor. While there are still shortages in the supply of bonds in some cities, he said, several weeks' advance supply is now being accumulated "to meet the demand which, I am confident, will never slacken until the war is won."
>
> "At first sight the amount of money we have to raise through borrowing and taxes may seem impossible," said Mr. Morgenthau, "but we in the Treasury have struck the word 'impossible' out of our dictionary. With your help we are going to do the job."
>
> The sales of Defense Savings Stamps also reached new records in December, totaling $25,650,000, which was four times as large as the sales in November. It is also said that the December sales alone surpassed those for the six months May 1 to Oct. 31.
>
> Following is a month-by-month record of the sales of all three series of Defense Savings Bonds, on a basis of the issue price, in thousands of dollars, since May 1:

Month—	Series E	Series F	Series G	Total
May	$100,581	$37,817	$211,420	$349,818
June	102,517	28,876	183,134	314,527
July	145,274	27,359	169,498	342,132
August	117,603	20,318	127,685	265,606
September	105,241	18,099	108,987	232,327
October	122,884	22,963	124,866	270,713
November	109,475	18,978	105,035	233,487
December	341,085	33,272	154,242	528,599
	$1,144,660	$207,682	$1,184,867	$2,537,210

Note—Figures have been rounded to nearest thousand and will not necessarily add to totals.

U. S. Formally Takes Over Finnish Merchant Ships

The U. S. Maritime Commission formally took over on Dec. 27 sixteen Finnish-owned merchant ships laid up in United States ports. The vessels had been under the protective custody of the Coast Guard since they came into United States ports following Great Britain's declaration of war upon Finland and the resultant termination of Britain's guarantee of safe conduct for Finnish merchant ships. The Commission acted under the Ship Requisition Act, which passed Congress in June, 1941. Payment of compensation to the owners will be made later.

Prior to this action there had been about 80 laid-up merchant ships, mostly of Danish and Italian registry, requisitioned by the Maritime Commission.

Free Enterprise and Free Labor Nation's Greatest Assets, Hawkes Tells Chamber

The right to criticize those in authority in a representative democracy exists and should be encouraged as long as that criticism comes from a patriotic mind, is sincere and constructive, Albert W. Hawkes, President of the United States Chamber of Commerce, told members of the New York State Chamber of Commerce at its monthly meeting on Jan. 8. "Free Enterprise—the Foundation of Individual Freedom" was subject of the address delivered by Mr. Hawkes, who said:

> Petty fault-finding criticism should be avoided and discontinued, especially in war times. Genuine criticism is the essence of representative democracy in both peace and war times. To the extent it ceases or is subdued or prohibited by those who temporarily are in power—just to that extent representative democracy is failing to function. Criticism which, if published, would give aid and comfort to the enemy, should be made in private or in such a way that its benefit for the people will not be lost and the aid to the enemy will be avoided. Intelligent citizens, cooperating with intelligent people in authority, can avoid the publicity I refer to. The timing, manner and place of criticism are vital factors.

In his address Mr. Hawkes said in part:

> Free enterprise and free labor are our greatest national assets—vastly more important than our natural resources and our material wealth. This powerful combination of intelligent, voluntary cooperation can out-work and out-produce the controlled industries and regimented workers of all the Axis countries. This great national asset must be preserved. It must be preserved to the fullest possible degree throughout the war to obtain the best military results; and it must be preserved after the war to rebuild the tragic aftermath of the conflict. Like the force of gravitation and all the other basic factors of life, neither war nor peace alter the fundamental principle of individual freedom with responsibility. There are some things that are changeless, unaffected by the passing of time, or circumstances, and this is one of those eternal verities.
>
> The war can be won only with the contribution which American business can make.
>
> * * *
>
> American business is indispensable to victory. Individual initiative and enterprise are the very genius of American business by which the Nation has grown to greatness. Under our system free labor and free enterprise have encouraged the development of initiative, resourcefulness, adaptability and ingenuity among the millions of men who provide the brain and the brawn, the skill and the muscle to develop our natural and human resources. Therefore, we can face a hostile foe with the confidence of ultimate victory. In the last analysis this is a war of free men against those who would enslave their fellows.
>
> * * *
>
> Nobody should misunderstand the position of business. The Chamber of Commerce of the United States believes, and I personally believe, in the right of labor to organize, to strike and to do all things lawful in the protection of its interests. Some months ago when an anti-strike bill was introduced in Congress, the Chamber of Commerce of the United States opposed it on the ground that labor should not be deprived of the right to strike under any ordinary conditions. We believe that labor and business alike should be free from too much government restraint. Our record in all this is clear and fair.
>
> We are now informed that Government, labor and capital have reached an agreement under which there will be no strikes for any cause. This means no interference with maximum production for national defense. It is my earnest hope that every party involved in this agreement will live up to the spirit of it. When I say the spirit of it I mean maximum production at full speed, with no slowdowns on the part of labor, even though such slow-downs might not come under the category of strikes—and no sharp practice on the part of capital and management to deprive any citizen of his right to work because he belongs or does not belong to any organization.

In summing up, Mr. Hawkes declared that "free enterprise faces the most difficult task of its entire career, viz.:

> 1. It must produce the things required for a successful war to final victory. It must produce better and faster than slave-enterprise can produce under dictatorship.
>
> 2. It must do these things at a fair living profit, while bearing the burden of greatly increased taxes. Each element—capital, management and labor—must avoid taking advantage of the crisis in order to make personal gain and thus impede production.
>
> 3. Free enterprise must be alert and vigilant to protect individual freedom—choice of occupation and the right to work. Otherwise, the objective of the war will be lost and free enterprise will not be preserved for the future restoration and upbuilding of our country.
>
> 4. Free enterprise must accept its responsibility to plan for the future—the adjustment period when peace returns and millions of men are released from the army, navy, air force and war industries. It must be prepared then to do a job equal in importance and even more difficult than its war job It will not fail in winning the victory of war production and, therefore, it must not fail in doing its full part in the post-war adjustment job.

In conclusion, Mr. Hawkes said:

> The New York State Chamber of Commerce has been the free enterprise watch-dog for generations and I am certain you members of today will not relinquish or abandon your watchfulness and protection of this vital free enterprise system. It needs you more today than at any time since its birth. It is ill and under vicious attack from many sides—YET right now those in authority and the American people as a whole are calling upon it to help save the nation. It is the only thing that can and will make it possible for our boys in uniform to successfully do that job to a full and complete victory. Let us not forget free enterprise is the foundation built through individual initiative, operating under individual freedom.

Food Output, Buying Power At Peak Levels

A new year begins with producers and consumers of food in unusually good economic position, food production at high record levels, buying power of consumers the greatest ever, and prices and income to farmers the best in a decade or more, the United States Department of Agriculture reported on Jan. 5 on the basis of analyses by the Bureau of Agricultural Economics.

The Department's announcement goes on to explain:

> The Government figures show that the income of industrial workers has increased considerably more than the increase in food prices during the last two years. Whereas total non-agricultural income is about 39% larger than the 1935-39 average, retail food prices average only 10% higher than at that time. Monthly earnings per employed factory worker are 40% higher than in 1935-39, whereas farmers in recent months have been getting about 30% higher prices for food than in 1935-39.
>
> Food has become a first line of victory, the Department said, citing figures on production, consumption, and supplies. Some foods — wheat and feed grains for cereals and the production of livestock products—already are in national abundance. Other foods—milk and manufactured dairy products, poultry and eggs, meats and vegetables—are in continuously increasing production.
>
> Stocks of agricultural products used wholly or in part for food were reported to be larger than at the beginning of 1941 but much larger supplies are needed during the coming year. Increased production of milk, eggs, meats, vegetables and other foods is sought in the Department's Food - for - Victory campaign.
>
> Total supplies of food in the United States are expected to reach a new high level this year.
>
> Good crops and livestock yields in 1941 and large Ever-Normal Granary supplies have built up large stocks of foodstuffs and feedstuffs. Supplies of high-protein feeds, grain, and hay are larger than a year ago. The supply of feed grains is the biggest in 20 years. The number of livestock on farms is increasing.
>
> Farm production goals for 1942 are being re-examined by Department economists, and farmers' reports of production plans for 1942 are being analyzed. Early returns in the Food-for-Victory campaign indicate that total food production in 1942 will be largest in the Nation's history. Production of some commodities—such as pork and pork products—is expected to exceed production goals announced last Autumn.
>
> It is expected that 1942 farm income will be the largest since 1919—more than $13,000,000,000. But production costs will be unusually large. The farm payroll alone may exceed $1,000,000,000 this year, and other costs of farm production are rising.
>
> Much of the increase in farm income in 1942 will be spent on increased costs.

Lend-Lease For Czechs

President Roosevelt on Jan. 5 ordered the extension of lend-lease aid to the exiled Government of Czecho-Slovakia finding such assistance "vital to the defense of the United States."

The President ordered this action in the following letter transmitted to Edward R. Stettinius, Jr., Lend-Lease Administrator:

> For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated Oct. 28, 1941, and in order to enable you to arrange for lend-lease aid to the Provisional Government of Czecho-Slovakia, I hereby find that the defense of the Provisional Government of Czecho-Slovakia is vital to the defense of the United States.

Net Operating Income of New York Trust Co. For 1941 $2,680,840, Bierwirth Reports

Net operating income of the New York Trust Co. for 1941 was reported as $2,680,840 by President John E. Bierwirth on Jan. 5, as compared with $2,760,313 in 1940. The figures were made available to the stockholders on the 5th inst. by Mr. Bierwirth in advance of the annual meeting held on Jan. 14, his report having been issued along with the year-end statement of condition of the company, to which reference was made in these columns Jan. 8, page 133. In his report to the stockholders President Bierwirth said:

> For many years, including the year 1941, profits realized from security transactions as well as recoveries from previous charge-offs were treated as extraordinary income and credited to a general reserve account rather than to earnings. From this account amounts have been taken to write down specific assets, and in issuing our statement of condition the balance remaining in the reserve has customarily been applied as a reduction of assets. "Reserve for Contingencies" of $1,000,000 shown in the statement of condition since March 31, 1939, has been merged with the general reserve. This general reserve account aggregated $4,692,246.43 at the close of 1941. Greater earnings from interest on loans were about offset by lower income from United States Government securities resulting principally from shorter maturities. During the year 1941, net profits of $1,721,704.36 were realized from the sale of investment securities and added to the general reserve as mentioned above.
>
> United States Government obligations are appraised at amortized cost. All other bonds and stocks are shown at amortized cost or market whichever is lower.
>
> As of the year-end, United States Government obligations total $196,593,510.44 and have an average maturity of 43 months.
>
> Commercial and secured loans increased $24,639,563.10 during 1941 and brokers' loans increased $2,796,160.30, resulting in an increase in all loans of $27,435,723.40. Total loans at the end of 1941 were 25% above loans outstanding on Dec. 31, 1940, and 50% above the total at the end of 1939.
>
> The combination of real estate bonds and mortgages and equities in real estate shows an increase of $914,596.97 for the year. This amount had previously been included in the figure for loans, discounts and bankers' acceptances in the published statement of condition and represented loans made against mortgage collateral. During 1941, title to the related properties was taken by your company.

Mr. Bierwirth points out to the stockholders that "recently your board of trustees declared a quarterly dividend of 87½ cents per share, payable on Jan. 2, 1942. He adds:

> The quarterly dividend for many years has been $1.25 per share but your Board has concluded that in the face of present conditions and outlook, it would be wise to retain a larger part of net earnings and effect a reduction in the amount of the dividends. Your Board feels that this policy should be maintained until there is a material change in the above factors.

In his statement Jan. 5, President Bierwirth also says:

> During the year, we have been increasingly active in providing funds to assist in the rearmament program. In this respect, we have not only financed the construction of new plants needed to augment the production of war materials, but have provided funds to contractors building army bases and to manufacturers producing various types of equipment and supplies.

Reference is also made in the President's report to the resignation in August last of Artemus L. Gates, as Trustee and President of the company since 1929, following his appointment by President Roosevelt to serve as Assistant Secretary of the Navy for Air.

Hong Kong Assets In U. S. Are Frozen

President Roosevelt on Dec. 26 issued an Executive Order freezing Hong Kong assets in the United States. This action, the the Treasury said, was taken as the result of the fall of Hong King into Japanese hands. The Treasury added:

> Under the new Executive Order all financial and trade transactions in which Hong Kong interests are involved are brought under the control of the Government and criminal penalties for any violations are imposed.

The new Executive Order also provides for the automatic freezing of the assets of any other territory in case it should be occupied or overrun by the military, naval or other forces of the Axis.

In view of this order the Treasury Department has issued a circular revoking certain general licenses which specifically relate to Hong Kong. The circular also has the effect of blocking the accounts of all banks in Hong Kong and in occupied China, and of preventing the offices in Hong Kong and occupied China of such banks from financing trade and handling remittances between the United States and China.

Rules Issued By Censor For Foreign Messages

Byron Price, Director of Censorship, issued regulations on Jan. 3 governing messages by cable or radio to and from this country. The regulations, as announced by the Navy Department, were indicated as follows in special advices Jan. 3 from Washington to the New York "Times":

> No communication with enemy-occupied territory except on specially license occasions.
>
> No codes or cable addresses permitted on terminal traffic at this time.
>
> Transit traffic in code or foreign languages may be passed if complying with the censorship regulations at the office of destination.
>
> The plain languages permitted are English, French, Spanish and Portuguese, except that unofficial radio telephone calls may be subject to delay if other than the English language is to be used.

Dollar-a-Year Men Outside Civil Service

President Roosevelt, in an Executive Order issued Dec. 31, exempted dollar-a-year employees of the Government from civil service regulations. Also exempt from the new blanket regulations of the Ramspeck Act, which become effective on Jan. 1, were employees of the Board of Governors of the Federal Reserve Systm, unskilled laborers and temporary, or part-time government consultants. Under the provisions of the Ramspeck Act more than 180,000 permanent posts in the Federal employment were brought under civil service.

La Follette Disagrees With Byrd Report

Disagreeing with the recommendations contained in the report of the Joint Committee on reduction of non-essential Federal expenditures, filed by Senator Byrd on Dec. 26, Sen. Robert M. La Follette, Jr., in a minority report characterized "the sweeping recommendations of the majority of the Committee" as "hasty and unwarranted." The majority report embodied recommendations to effect savings of $1,131,075,000 in Governmental appropriations for the next fiscal year, proposing among other things that the Civilian Conservation Corps and National Youth Administration be abolished. In part, Senator La Follette said:

> To me, the conclusion is inescapable that almost the full impact of the recommendations of the majority of the committee would, if enacted, fall almost entirely on the very lowest income groups among our population. This action would be unwise in time of peace; confronted with total war which may be of long duration, I regard it as a grave error in policy. . . .
>
> In effect, the committee is recommending to take away from the many who have not benefited from the war-industry effort the small aids which up to now have been provided. . . . First we locate war contracts in a few States to the exclusion of thousands of small firms and small communities. This drains off the key workers of the excluded areas and leaves them in a weakened condition. We are asked to take from them such government aids that remain. If they had need of Government aids before these new dislocations occurred, they have greater need of them now.
>
> No one can disagree with the general objectives of reducing waste and all non-essential expenditures of government. The crux of the matter is "what is non-essential?" and "where is the waste?" My own view is that the various social programs which the majority of the committee would eliminate are vital to the successful conduct of total war. The entire civil arm of the Government will spend in this fiscal year $6,600,000,000. Defense and war will cost at least $21,000,000,000. It is my contention that the majority report of the committee attempts to save at the spigot by drastic curtailment of essential aid to the underprivileged while the waste occurs at the bunghole of war and defense.

U. S. War Insurance Is Offered To Shipowners

The United States Maritime Commission announced on Jan. 1 that it had set up machinery to provide war-risk insurance and reinsurance on American ships from a $40,000,000 fund now open to ship owners unable to obtain adequate insurance for their vessels at "reasonable terms and conditions" from commercial underwriters. A Wartime Insurance Committee is established in the Commission, empowered to quote hull rates and handle risks submitted by ship owners who wish to take advantage of the Government's offer.

The Commission's action was taken under legislation passed in June, 1940, amending the Merchant Marine Act of 1936 and authorizing the Commission to write war-risk insurance whenever, in the opinion of the Commission, such insurance "cannot be obtained on reasonable terms and conditions." Shortly thereafter the $40,000,000 revolving fund was set up in the Treasury to provide insurance when necessary.

It is pointed out that under the law the Commission was also authorized to provide war-risk insurance and reinsurance on the lives of crews on American vessels and on cargo carried on American vessels. The present announcement, however, deals only with insurance on the ships themselves. It is stated that among the conditions prescribed for Commission insurance is the holding of a ship warrant by the assured. Under the Commission's ship-warrants system a warrant granting priority in the use of shore facilities is given to a vessel that co-operates with the war effort and national defense by carrying cargoes on trade routes at freight and charter rates approved by the Commission.

Expert Finds Japan Is Foredoomed To Failure Without Far Eastern Oil

Failure of the Japanese attack on the United States is assured if Japan cannot secure access to oil-producing fields during the next 18 months, says Walter Levy, international petroleum economist, in a comprehensive survey of Japanese oil supplies in the current issue of "World Petroleum." Japanese policy is based on a gigantic gamble that with a year and a half's supply of oil, the army and navy can secure the production of Netherlands India, Borneo or Burma and safeguard its transport to Japan for refining.

In an article entitled "Japanese Strategy Based on Inadequate Oil Supply," Mr. Levy estimated Japan's present annual consumption of oil in active war as being in excess of 40,000,000 barrels. While every effort has been made in the past to reduce civilian consumption, build up huge stocks, and increase domestic production of natural and synthetic petroleum, Japanese policy has been based on seizure of the rich oil-fields of Netherlands India in event of war. Since refineries in the South Pacific would be destroyed before they could be seized, a large refining industry was constructed in Japan; one of the world's fastest tanker fleets was created to import the stolen oil; and domestic stocks of oil for about 18 months of war were maintained.

Japan now possesses more than 30 refineries with an annual throughput capacity of 27,600,000 barrels, including some aviation gasoline. Japan's tanker fleet has a capacity well above 500,000 tons capable of transporting 40,000,000 to 50,000,000 barrels of oil annually from Netherlands India to Japan in peacetime, perhaps half this quantity in wartime.

Levy calculates that Japan produced in 1940 at best 4,000,000 barrels of synthetic petroleum, 2,000,000 barrels of Sakhalin crude, 3,000,000 barrels of Manchurian shale oil, 2,600,000 barrels from domestic wells, and 500,000 barrels of motor alcohol, a maximum total of approximately 12,000,000 barrels. With wartime demand at 40,000,000 barrels, the annual deficit to be withdrawn from storage would amount to 28,000,000 barrels. As long ago as 1933 Japan possessed 15,000,000 barrels of storage capacity. Even if that figure has been increased 300% by 1942, Japan will encounter a serious slowing down of military operations in a year to a year and a half if she does not succeed in seizing, producing and transporting the oil of Netherlands India, Borneo or Burma.

Mexican Senate Ratifies Oil Pact With U. S.

The Mexican Senate on Dec. 29 ratified the agreement signed at Washington on Nov. 19 providing for the adjustment of the principal problems existing between Mexico and the United States. The pact calls for negotiations to settle the differences over expropriated oil properties, adjustment of property claims, stabilization of the Mexican peso, silver purchases, extension of highway construction credits and negotiations for a reciprocal trade agreement. The terms of the agreement were given in detail in our issue of Nov. 27, page 1248.

The conversations to determine a value of the expropriated oil properties were scheduled to get under way in Mexico City on Jan. 5. Morris L. Cooke, a consulting engineer in management, who has held various Governmental posts, is representing the United States, while Manuel J. Zevada, an engineer, who is Under-Secretary in the Department of National Economy, represents Mexico.

The staff assisting Mr. Cooke includes: Dr. Harlow S. Person, consulting economist, at present connected with the Rural Electrification Administration; O. C. Merrill, engineer and economist, formerly with the Federal Power Commission; Judson C. Dickerman, engineer economist of the Federal Trade Commission, and Henry M. Oliver, junior economist with the Division of Monetary Research of the Treasury.

King Haakon, President, Exchange Greetings

The State Department issued in Washington on Dec. 24 the messages exchanged by King Haakon of Norway and President Roosevelt with regard to aid in the "common fight" for decency.

The King's message said in part:

> Today America and Norway are not only friends of old, but for the first time in history also comrades in arms. It is my fervent conviction that by the help of God we shall through common fight and sacrifices attain a common victory for freedom, popular government and international decency.

President Roosevelt replied in part as follows:

> The people and Government of the United States will be encouraged in their own fight against the evil forces of tyranny and aggression by the gallant spirit in which free Norwegians are striking back at the foe which shamelessly attacked their homeland a year ago.
>
> We are especially grateful for te inestimable aid in our common fight which is being given by the intrepid Norwegian seamen on whose skill and courage greatly depends the steady flow of supplies which in the end, under the guidance of Providence, will restore decency and personal freedom to the world.

NAM Suggests Hughes For War Labor Board

The National Association of Manufacturers, New York City, on Dec. 30 proposed Charles Evans Hughes, retired Chief Justice of the U. S. Supreme Court, as "an outstanding and admittedly impartial American" for consideration as Chairman of the new War Labor Board. Addressing Secretary of Labor Perkins, by telegraph, Walter D. Fuller and William P. Witherow, President and President-elect of the NAM, respectively, urged that four "public members" of the new board "be selected from retired members of the Federal Supreme, Circuit and District courts," which would permit designation of such a man as the former Chief Justice for the chairmanship.

Four industry representatives, to be selected from panels submitted by the NAM and the U. S. Chamber of Commerce, were proposed to match four labor representatives from major labor groups in the telegram which urged upon the Secretary the selection of a "fair and effective Board."

Treasury Offers 2% Bonds of 1949-51 To Holders of Four Maturing Issues

Secretary of the Treasury Morgenthau on Jan. 11 announced a plan for refinancing a Treasury issue and three corporate issues which shortly come due for payment. These issues are the Treasury Notes of Series A-1942, maturing March 15, 1942, the 3% Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on Jan. 15, 1942, the 2¾% Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, and the Reconstruction Finance Corporation notes of Series R, maturing Jan. 15, 1942. An issue of 2% Treasury bonds of 1949-51 is being made available to the holders of the four issues enumerated on a par for par basis, with adjustments of accrued interest to Jan. 15, 1942, in the case of the Treasury notes and the 2¾% Federal Farm Mortgage Corporation bonds. The bases on which the securities comprising these four issues may be presented and accepted, and the new bonds obtained, are specifically set forth in the official circular. The books were opened for the receipt of subscriptions on Jan. 12.

Secretary Morgenthau's statement further explained:

> The Treasury bonds now offered will be dated Jan. 15, 1942, and will bear interest from that date at the rate of 2% per annum, payable on a semi-annual basis on June 15 and Dec. 15 in each year. They will mature June 15, 1951, but may be redeemed, at the option of the United States, on and after June 15, 1949. They will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in the denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000.
>
> Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. Otherwise the securities will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds now outstanding.
>
> Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions should be accompanied by securities of one or more of the four issues to an aggregate par amount equal to the par amount of the new Treasury bonds subscribed for. Coupons dated Jan. 15, 1942 should be detached from the 3% Federal Farm Mortgage Corporation bonds and the Reconstruction Finance Corporation notes and cashed in regular course. Following acceptance of the Treasury notes and the 2¾% Federal Farm Mortgage Corporation bonds, accrued interest to Jan. 15, 1942, about $10.33 and $5.90 per $1,000 respectively, will be paid to the owners of the securities surrendered.
>
> The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, all subscriptions will be allotted in full.
>
> The amounts of the four issues now outstanding are approximately as follows: Treasury Notes of Series A-1942, $426,000,000; 3% Federal Farm Mortgage Corporation bonds of 1942-47, $236,000,000; 2¾% Federal Farm Mortgage Corporation bonds of 1942-47, $103,000,000; and Reconstruction Finance Corporation notes of Series R, $310,000,000.

Plans for this refunding operation were discussed in these columns of Jan. 8, page 127.

The text of the Treasury's official circular, setting forth the terms of this offering, follows:

UNITED STATES OF AMERICA
2% Treasury Bonds of 1949-51
Dated and bearing interest from
Jan. 15, 1942
Due June 15, 1951
Redeemable at the option of the
United States at par and accrued interest on and after
June 15, 1949
Interest payable June 15 and
Dec. 15

1942 Department Circular No. 676

Fiscal Service
Bureau of the Public Debt

Treasury Department,
Office of the Secretary,
Washington, Jan. 12, 1942

I. Offering of Bonds and Invitation For Tenders

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for 2% bonds of the United States, designated Treasury Bonds of 1949-51, the amount of the offering to be limited to the amount of securities tendered and accepted as provided in the following subparagraphs:

(a) *Treasury Notes of Series A-1942.*—Treasury Notes of Series A-1942, maturing March 15, 1942, will be accepted in payment for Treasury bonds subscribed for hereunder.

(b) *3% Federal Farm Mortgage Corporation Bonds of 1942-47.* — The Secretary of the Treasury offers to apply the proceeds of payment of 3% Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on Jan. 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of 3% Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(c) *2¾% Federal Farm Mortgage Corporation Bonds of 1942-47.*—The Secretary of the Treasury, on behalf of the Federal Farm Mortgage Corporation, offers to purchase on Jan. 15, 1942, at par and accrued interest, 2¾% Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, to the extent to which the holders thereof subscribe for Treasury bonds hereunder. Tenders of 2¾% Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

(d) *Reconstruction Finance Corporation Notes of Series R.*—The Secretary of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation notes of Series R, maturing Jan. 15, 1942, tendered for payment in accordance with Sections III and IV of this circular, to payment for Treasury bonds subscribed for hereunder. Tenders of Series R notes for that purpose are invited.

II. Description of Bonds

1. The bonds will be dated Jan. 15, 1942, and will bear interest from that date at the rate of 2% per annum, payable on a semi-annual basis on June 15 and Dec. 15 in each year until the principal amount becomes payable. They will mature June 15, 1951, but may be redeemed at the option of the United States on and after June 15, 1949, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. Subscription and Allotment

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by securities of one or more of the issues enumerated in Section I hereof, tendered for payment or purchase as the case may be, to an aggregate par amount equal to the par amount of Treasury Bonds of 1949-51 subscribed for hereunder. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. Payment

1. Payment at par for bonds allotted hereunder must be made on or before Jan. 15, 1942, or on later allotment and may be made only in Treasury Notes of Series A-1942 or through application of the principal proceeds of payment of 3% Federal Farm Mortgage Corporation bonds of 1942-47, 2¾% Federal Farm Mortgage Corporation bonds of 1942-47, or Reconstruction Finance Corporation notes of Series R in an aggregate par amount equal to the amount of bonds allotted hereunder. Coupons dated March 15, 1942, must be attached to Treasury Notes of Series A-1942 when surrendered, and accrued interest from Sept. 15, 1941, to Jan. 15, 1942 ($5.89779 per $1,000) will be paid following acceptance of the notes. Coupons dated March 1, 1942, must be attached to 2¾% Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form and accrued interest from Sept. 1, 1941, to Jan. 15, 1942 ($10.33149 per $1,000) will be paid following acceptance of the bonds. In the case of registered bonds of either issue, checks in payment of final interest will be drawn in accordance with the assignments on the bonds surrendered.

V. Surrender of Called Bonds

1. *Coupon bonds.* — 3% and 2¾% Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington, D. C. Coupons dated July 15, 1942, and March 1, 1942, respectively, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.* — 3% and 2¾% Federal Farm Mortgage Corporation bonds of 1942-47 in registered form tendered hereunder should be assigned by the registered payees or assignees thereof in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. The proper forms of assignment are

(a) Where 3% bonds are surrendered.—If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of

"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for payment, the proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to

".

(b) Where 2¾% bonds are surrendered.—If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in the name of ";

if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury Bonds of 1949-51 in coupon form to be delivered to

".

VI. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

November Blue Stamp Food Purchases

Blue food stamps added approximately $8,800,000 worth of farm products to the diets of about 3,300,000 persons eligible to receive public assistance during November, 1941, the Department of Agriculture announced on Jan. 7 in its monthly report on the Food Stamp Program. The announcement also added:

> During November, families taking part in the Food Stamp Program used blue stamps, which increased their expenditures for agricultural commodities approximately 50%, as follows: about 10% for butter, 21% for pork, 23% for vegetables, 17% for cereals, 15% for eggs and 14% for fruits.
>
> Purchases with blue stamps, representing new outlets for farm products, as estimated by the Surplus Marketing Administration, included: about 30,000,000 pounds of Irish potatoes, 29,000,000 pounds of flour, 9,000,000 pounds of fresh apples, 8,300,000 pounds of pork, 3,300,000 dozen eggs and 2,300,000 pounds of butter.
>
> Other blue stamp purchases during the month included over 1,800,000 dozen fresh oranges, more than 1,450,000 pounds of fresh pears, nearly 1,400,000 pounds of dried prunes and over 1,250,000 pounds of raisins.
>
> In addition to purchases of commodities with blue stamps, the Surplus Marketing Administration continued in November to distribute farm products for use in free school lunches and to needy families in areas not served by the Food Stamp Program.

W. H. Chase Is Named To General Mills Post

Mr. James F. Bell, Chairman of the Board of General Mills, Inc., announced today the appointment of W. Howard Chase as Director of the company's Department of Public Services. Formerly known as the Department of Relations with the Public, the new Public Services Department, according to Mr. Bell's statement, will assume broader responsibilities under the direction of Mr. Chase. One important function of the department will be to see that the widespread facilities and operations of General Mills are utilized, in every way possible, in order that the company may be of maximum service to the public and to the Government.

Mr. Chase comes to General Mills from Washington, D. C., where he was associate editor of the Whaley-Eaton News Service, handling foreign and domestic trends. He served previously, as assistant to the President of the American Retail Federation and also, for three years, as editorial writer on the Des Moines "Register and Tribune." He has served, also, on the staffs of Harvard and Drake Universities in the capacity of lecturer on international relations.

Secretary Morgenthau Lauds 26-Nation Pact

Secretary of the Treasury Morgenthau, in commenting on Jan. 2 on the joint declaration by 26 nations pledging their full resources for use against the Axis Powers, and barring a separate armistice or peace, declared that "this statement of 26 nations is destined to take its place among the immortal documents that are the milestones of human freedom." Mr. Morgenthau further said:

> It means to Americans and to all the people of the world far more than a mere alliance against a common enemy, far more than a mere agreement to fight together without any thought of a separate peace until victory has been achieved. Its greatest significance is in the statement of the principles for which we fight. These are the great ideals of human liberty, the rights of the individual which government exists to protect and not to annul. In the denial of these rights by the forces of aggression lies the only and the fundamental cause of this great struggle. Let us be clear about that.
>
> This is a struggle of human rights against oppression. In the 25 nations whom we join as comrades in arms there is awake, as there is in our own land, the conscience of mankind. The black shadow of oppression which has plunged nation after nation into darkness must not fall upon us, and it must be swept away from the conquered lands where its darkness has fallen. It will be swept away. We can go forward with the firmest determination and a sure faith.

The United States, Great Britain, Russia and China were among the 26 signers of the declaration, the text of which was given in our Jan. 8 issue, page 144.

"Evening Ledger" Now Suspends Publication

The Philadelpphia "Evening Public Ledger" suspended publication on Jan. 5 by order of the Federal District Court which ruled that no definite reorganization plan had been offered. The termination of the life of the 27-year-old newspaper came after rejection of a last-minute plan for employee-operation. Judge J. Cullen Ganey, with Judges Harry E. Kalodner and Guy K. Bard concurring, said that the plan was not feasible and that nothing further could be done to save the paper. Since Nov. 8 the "Ledger" had been published under the direction of three trustees appointed by the Court in accordance with the Chandler Act pending the submission of a plan of reorganization which would be acceptable to the Court and the paper's creditors. The decision of the judges, said the "Ledger" closed a dramatic day in which the employees, backed by $30,000 posted by Sherman Hoar Bowles, General Manager of the Springfield (Mass.) "Republican," sought to convince the Court of the feasibility of their plan. The "Ledger" further said:

> The Court took its action only after having exhausted every avenue to permit the newspaper to reorganize under the Chandler Act. Three times in the past two months it granted more time for the Court-appointed trustees and the "Ledger" management to submit a refinancing plan.
>
> No proposal which the judges felt could be called a "real plan" (that is, one carrying with it sufficient financial support) was forthcoming. Nor, when the Court ordered the trustees to receive bids for the property, were any solid offers of purchase submitted.
>
> The Court's rejection of the employees' proposal was not accompanied by a formal order prohibiting publication today. But publication for general circulation will cease because the Court refused to grant an extension of operations beyond last midnight. It had warned all interested parties to that effect on Dec. 29.
>
> In a formal order last night, however, the Court permitted the company to continue operating its Ledger Syndicate for a maximum of 30 days. The syndicate sells features, such as the Dorothy Dix column, and cartoons. It was felt that within 30 days a buyer for the syndicate could be found.
>
> The Court decision not only meant the end of the last survivor of the group of newspapers which the late Cyrus H. K. Curtis built up. It meant the end of the jobs of most of the 828 employees. Some of these employees will remain temporarily in their bookkeeping and accounting jobs to wind up the "Ledger's" affairs. Many of the employees were veteran workers with the "Ledger."

The "Ledger," which was founded in September, 1914, by Mr. Curtis, was sold on Dec. 31, 1940, by the trustees of the estate of Mr. Curtis to a group headed by Robert Cresswell, former Treasurer of the New York "Herald Tribune," who was its publisher. (See the "Chronicle" of Jan. 4, 1941, page 43.) Mr. Cresswell, together with David Drillhart, a Bethlehem publisher, and J. Harris Warthman, a Philadelphia business man, had been managing the affairs of the paper since the Court appointed them as trustees in November.

Real Wages Up Despite Higher Living Costs

The real weekly wages of the employees in manufacturing industries continued to rise in 1941 despite an increase in the cost of living, according to The Conference Board. The cost of living was 9% higher in November, 1941, than in November, 1940; but average weekly wages rose 20%. The purchasing power of the earnings of these employees (their so-called real wages) was therefore 11% higher in November than in November, 1940. Under date of Jan. 10, the Board further explained:

> Except for a few temporary interruptions, the Board's index of the real weekly earnings (i.e., the index of weekly wages adjusted for changes in the index of the cost of living) has been rising since January, 1938. From then until early in 1941 there was little net change in the cost of living, but average weekly earnings increased 34%, so that real weekly earnings also increased at an average rate of about 1% per month. Real wages, curiously enough, continued to increase at an average rate of about 1% per month in 1941, despite the rise in the cost of living and despite the transformation of manufacturing industries from peacetime to wartime producers.
>
> Real wages declined sharply in the second half of 1937, but prior to that there was another long period, extending back to the bottom of the depression in August, 1932, when real wages were rising at an average rate of about 1% per month. Otherwise, the only parallel for the present steady advance in real wages is the situation in the First World War. Real wages rose 23% from July, 1914, to October, 1920. The average rate of increase through this entire span of years was much less than 1%, but it seems probable that during portions of the First World War real earnings increased as much as 1% per month, because much of the increase in the cost of living occurred in 1919 and 1920 after the war was over.
>
> The Conference Board's index of real wages was slightly lower in November than in October, when it was the highest on record. Average weekly wages increased, but the increase was small, and the cost of living index rose 1%. The Board's index of real wages (1923=100) was therefore 144.6, as compared with 145.7 in October, 130.6 in November, 1940, 98.8 in January, 1938, 120.3 in May, 1937, 74.5 in August, 1932, 109.6 in April, 1929, 95.7 in October, 1920, and 77.8 in July, 1914. Real weekly wages in November, 1941, were 32% higher than in April, 1929.

Realtors Meet Jan. 23

The annual business meeting of the National Association of Real Estate Board, at which will be chartered the general program of the association's work for the year 1942, will be held at the Drake Hotel, Chicago, Jan. 23 and 24. The announcement says:

> Adaptation of our real estate assets and of real estate business services to the needs of a nation at war will be first order of business in the deliberations. Primarily, here are means for utilization to the fullest of our existing industrials plants for defense production and for drawing all available existing residential structures into use where they will serve the needs of defense workers.
>
> Preservation of sound real estate conditions in a war economy will be an important concern both for the association and its specialized institutes and divisions whose governing boards will take part in the meeting.

Formal installation of officers of the Association and of its divisions for the year 1942 is scheduled to take place at a closing banquet on Jan. 23. Philip W. Kniskern, Philadelphia, President of the Association, will turn over the gavel to David B. Simpson, Portland, Ore.

OPA Establishes Price Ceiling For Cigarettes

The price of all cigarettes sold by manufacturers was frozen on Dec. 30 to the levels prevailing on Dec. 26 in an order issued by Federal Price Administrator Leon Henderson. The effect of this action was to rescind a price advance announced by the American Tobacco Co. for its Lucky Strike cigarettes and to prevent other manufacturers from raising their prices pending a full investigation of factors justifying the price advance. The American Tobacco Co. had announced on Dec. 27 that the wholesale price of cigarettes would be increased from $6.53 to $7.10 a thousand due to the increased costs of leaf tobacco, materials, supplies and other items, exclusive of increased corporate taxes. The company claimed that its costs, exclusive of axes, have increased in an amount in excess of the price increase, so that the entire amount of the price increase represents higher costs without additional profit. With regard to the action of the Price Administrator on Dec. 30 in imposing a ceiling on cigarette prices, the New York "Journal of Commerce" in advices from its Washington bureau on Dec. 30 said:

> Today's action was forecast by the Administrator in an announcement yesterday in which he declared that a formal ceiling was essential under the circumstances in order to prevent a price rise that might spread throughout the cigarette manufacturing industry.
>
> * * *
>
> In issuing the schedule today, Mr. Henderson said that full investigation of cigarette manufacturing costs will be undertaken in the immediate future. He added that this necessarily would involve considerably more time than a study of the American Tobacco case alone would have taken.
>
> The OPA Administrator repeated his earlier statement that primary purpose of the ceiling schedule is to prevent any unwarranted increase in the price of cigarettes to the public, adding that if the cooperation of wholesalers and retailers were not obtained, he would not hesitate to extend the ceiling to cover their sales. In this connection he reported receipt of telegraphic complaints of increased wholesale prices from several sections of the country, in spite of the fact that the Lucky Strike increase, now eliminated, would not have become effective until Jan. 10 and other manufacturers had not raised prices at all.

The rescinding of the increase by the American Tobacco Co. followed its request that a formal requirement to that end be made by the Price Administrator.

Pres. Roosevelt Limits Restrictions On Films

President Roosevelt has told Lowell Mellett, Coordinator of Government Films, that there should be no restrictions on motion pictures other than those made imperative by the "dictates of safety."

In a recent letter to Mr. Mellett the President, according to advices Jan. 3 from Washington to the New York "Times" said:

> The American motion picture is one of our most effective media in informing and entertaining our citizens. The motion picture must remain free in so far as national security will permit.
>
> I want no censorship of the motion picture; I want no restrictions placed thereon which will impair the usefulness of the film other than those very necessary restrictions which the dictates of safety make imperative.
>
> The motion picture, especially as used by the Federal Government, has a very useful contribution to make during the war emergency. In order that the Federal Government's efforts in the field of motion picture production and distribution may serve most effectively and efficiently it is desirable that all activities of the Federal Government be coordinated under the direction of one central office.

Farm Aid Bill Signed

President Roosevelt signed on Dec. 26 the legislation extending for five years the operation of the Soil Conservation and Domestic Allotment Act and providing for loans of 85% of parity on cotton, corn, wheat, rice, tobacco and peanuts.

In signing the measure, the President asked Congress to revise the law with respect to the provision making 85% parity loans on peanuts. He explained, in a message to the Senate and House on Dec. 30, that "appropriate consideration was not given to the comparability of the parity price of peanuts with the parity price of other commodities" and that the bill "makes mandatory loan rates on peanuts which are excessive in relation to the loan rates on other commodities." His message said in part:

> I am advised by the Secretary of Agriculture that since the 1909-14 period, which, according to existing legislation, must be used as the base period in computing parity prices for peanuts, there have been substantial changes in the production and consumption of peanuts. The result is that the parity price for peanuts computed in accordance with existing legislation, is not comparable with the parity prices for other commodities and this bill makes mandatory loan rates on peanuts which are excessive in relation to the loan rates on other commodities.

Chicago Reserve Bank Net $1,024,465 In 1941

The Federal Reserve Bank of Chicago reports for the calendar year, 1941, net earnings of $1,024,465, as compared with $2,607,975 in the previous year. Total earnings for the year just ended were $5,089,095, against $4,831,217 in 1940. Operating expenses in 1941 were $3,581,893, while total net expenses were $4,227,533, with current net earnings of $861,561. In 1940 operating expenses amounted to $2,921,983, total net expenses having been shown as $3,471,164 and current net earnings having been reported at $1,360,053. The statement of earnings and expenses for 1941, as issued under date of Jan. 5 by C. S. Young, President of the Bank, follows:

STATEMENT OF EARNINGS AND EXPENSES FOR YEAR 1941

Earnings	$5,089,095.08
Operating expenses	$3,581,893.38
Assessment for Board of Governors	221,802.47
Cost of Federal Reserve currency	423,837.91
Total net expenses	$4,227,533.76
Current net earnings	$861,561.32
Additions to current net earnings:	
Profit on sales of U. S. Government securities	$147,895.36
Transferred from reserves	14,000.00
Other additions	1,008.52
Total additions to current net earnings	$162,903.88
Total current net earnings and additions to current net earnings	$1,024,465.20
Net earnings	$1,024,465.20
Distribution of net earnings:	
Payment to United States Treasury (Section 13-B)	$27,214.83
Dividends paid	896,766.37
Transferred to surplus (Section 7)	100,484.00
	$1,024,465.20

In its statement of condition, Dec. 31, 1941, the bank reported total resources of $3,962,603,505, while total deposits were shown as $2,014,151,437, which consisted of $1,762,132,232 for member bank; reserve account, $156,905,915 for U. S. Treasurer—general account, and $95,113,288 representing other deposits.

The bank's figures of earnings and expenses for 1940 were given in our issue of Jan. 18, 1941, page 361.

Eicher Named Judge

Edward C. Eicher, Chairman of the Securities and Exchange Commission, was nominated by President Roosevelt on Dec. 30 to be Chief Justice of the United States District Court for the District of Columbia. He was named to succeed Alfred A. Wheat, who has retired. Mr. Eicher, who served as a member of the House of Representatives from Iowa in the 73rd, 74th and 75th Congress, has been a member of the SEC since December, 1938, and has served as Chairman of the Commission since April, 1941, when Jerome N. Frank resigned to take a judgeship on the Federal bench in New York.

Ganson Purcell, who was appointed to the Commission last May, is mentioned as a possible successor to Mr. Eicher as Chairman. He has been associated with the Commission since its formation in 1934, serving as a member of its General Counsel staff from 1934 to 1937, when he became Director of the Trading and Exchange Division.

It is also reported that Robert H. O'Brien, Director of the SEC Utility Division, might be named to fill the vacancy on the Commission caused by the appointment of Mr. Eicher to a judgeship.

Flue-Cured Tobacco Quota

An increase of 10% in the national marketing quota and a corresponding increase in all farm acreage allotments for the 1942 crop of flue-cured tobacco was announced on Dec. 30 by the Department of Agriculture. This increase raises the 1942 national marketing quota from 618,000,000 pounds to 679,800,000 pounds and ups the farm acreage allotment from 762,000 acres to 842,500 acres. The 1942 marketing quota and farm acreage allotments were announced originally in October at the 1941 level, says the Department, which adds:

> Although supplies of tobacco at the beginning of the marketing year were above normal, information now available indicates that the increased quota and allotments are needed in order to insure a sufficient supply of flue-cured tobacco to meet increased domestic consumption and requirements for export to those countries allied against the Axis powers.
>
> The action was taken under the provisions of the Agricultural Adjustment Act of 1938 authorizing the Secretary to increase quotas if an increase is deemed essential to meet market needs.
>
> For the last half of this year, consumption of cigarettes, the outlet for four-fifths of the flue-cured tobacco used in the United States, has run 18% higher than for the same period last year. This increase sets a new all-time record in cigarette consumption. The average annual increase in cigarette consumption for the past several years has been only about 6%.
>
> If growers plant the same percentage of their acreage allotments in 1942 as they did in 1941, the crop will not be in excess of anticipated requirements regardless of whether the average yield per acre equals the 1940 figure or the short 1941 figure. On the basis of the high 1940 average yield, the 1942 crop would provide 795,000,000 million pounds; or on the basis of the low 1941 yield, the crop next season would be 690,000,000 pounds.
>
> The current 1941 flue-cured crop is estimated at 650,000,000 pounds. The level of domestic consumption and exports for next year is expected to be more than 100,000,000 pounds above production in 1941.

Nov. Sales On Exchanges

The Securities and Exchange Commission announced on Dec. 24 that the market value of total sales on all registered securities exchanges for November 1941 amounted to $597,388,504, a decrease of 3.5% from the market value of total sales for October and a decrease of 39.7% from the market value of total sales for November 1940. Stock sales, excluding rights and warrants, had a market value of $508,960,005, an increase of 3.4% over October. Bond sales were valued at $88,348,284, a decrease of 29.4% from the October value. The market value of right and warrant sales for November totaled $80,215, involving 158,115 units. The Commission further reports:

> The volume of stock sales, excluding rights and warrants, was 26,477,408 shares, an increase of 16.2% over October. Total principal amount of bond sales was $161,048,475, a decrease of 23.0% from October.
>
> The two New York exchanges accounted for 91.9% of the market value of total sales, 90.5% of the market value of stock sales, and 99.7% of the market value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges for November 1941 amounted to $612,640, an increase of 6.7% over October.

Ownership Certificate Requirement Relative Federal Bond Interest

With respect to the Bureau of Internal Revenue's amended income tax regulations, which became effective Jan. 1, 1942, dealing with ownership certificate requirements relative to interest payments of obligations of the United States or any agency or any instrumentality thereof, the Reserve Bank observed on Dec. 24 that the income tax regulations as of Jan. 1 "provide that ownership certificates shall be filed (by citizens and resident individuals and fiduciaries, resident partnerships and non-resident partnerships all of the members of which are citizens or residents, non-resident aliens, a non-resident partnership composed in whole or in part of non-resident aliens, a non-resident foreign corporation, or where the owner is unknown) in the case of interest paid on and after Jan. 1, 1942, on obligations of the United States or any agency or instrumentality thereof, regardless of the date of issuance of such obligations." The Bank goes on to say:

> You will observe from the foregoing that ownership certificates will be required for interest payments on all issues, both taxable and non-taxable except in the cases of interest payments when the owner is a domestic or resident corporation, a resident foreign corporation, or a foreign government.
>
> It is requested that the preparation of coupons for presentation to the bank for payment be as follows:
>
> (1) Coupons for which ownership certificates are required should be enclosed in envelopes according to issue and denomination and listed on a schedule as heretofore. Such ownership certificates should not be enclosed in the envelopes with the coupons but should accompany the schedule.
>
> (2) Coupons owned by a domestic or resident corporation, a resident foreign corporation, or a foreign government, do not require ownership certificates. Such coupons should be enclosed in the same envelopes with coupons of like issue and denomination for which ownership certificates are required, and the envelopes should indicate, by endorsement thereon, or should be accompanied by a statement to the effect, that coupons for which no ownership certificates accompany the schedule, are owned by a domestic or resident corporation, a resident foreign corporation, or a foreign government.

Commodity Exchange Hit By Defense Program

Reviewing the events of the past year, Edward L. McKendrew, President of Commodity Exchange, Inc., New York, in the annual report issued to members on Jan. 8, pointed out that the national defense program and the all-out war effort of the country has had a paralyzing effect on the Exchange. Mr. McKendrew stated:

> All of the commodities traded in on our Exchange are importantly involved in the national defense program. They are all included in the Government's list of strategic and critical materials, with the exception of lead, which is subject to OPM general preference orders. They were among the first to be the subject of price ceilings, priorities, allocations and other Governmental regulatory controls.

Mr. McKendrew also pointed out in his report;

> The Exchange and its members, in the interest of the national defense, have wholeheartedly complied with the requests made by Governmental authorities to restrict or suspend trading in specific commodities, but unfortunately this compliance has been at heavy cost to the Exchange and its members because it has resulted in a virtual cessation of trading. The Board of Governors is firmly resolved to continue the Exchange in its present strong financial condition.
>
> During the period of enforced inactivity, our Exchange must direct its efforts to maintaining a favorable position to resume trading when the wars have ended. To this end the Board will maintain a skeleton organization, certain key employees and certain essential services.

Roosevelt Writes 1956 President In Behalf Captain Kelly's Son

President Roosevelt recently addressed a letter "To the President of the United States in 1956," requesting the appointment to West Point of Colin P. Kelly 3d, 18-months-old son of Capt. Colin P. Kelly, Jr., who lost his life in a successful bombing attack on the Japanese battleship Haruna in the Pacific on Dec. 9. The President said he was asking for this consideration "in the conviction that the service and example" of Captain Kelly will be long remembered. Captain Kelly, who by his deed became the Number One American hero in the present war, has been awarded posthumously the Distinguished Service Cross.

President Roosevelt's letter read as follows:

> The White House
> Washington
> Dec. 17, 1941
>
> To the President of the United States in 1956:
>
> I am writing this letter as an act of faith in the destiny of our country. I desire to make a request which I make in full confidence that we shall achieve a glorious victory in the war we now are waging to preserve our democratic way of life.
>
> My request is that you consider the merits of a young American youth of goodly heritage—Colin P. Kelly 3d—for appointment as a cadet in the U. S. Military Academy at West Point. I make this appeal in behalf of this youth as a token of the Nation's appreciation of the heroic services of his father who met death in line of duty at the very outset of the struggle which was thrust upon us by the perfidy of a professed friend.
>
> In the conviction that the service and example of Capt. Colin P. Kelly, Jr., will long be remembered, I ask for this consideration in behalf of Colin P. Kelly 3d.
>
> FRANKLIN D. ROOSEVELT

Average Sugar Prices

The 1941 average price for raw sugar, duty paid basis at New York, is 3.378 cents per pound as against 2.786 cents per pound for 1940, an increase of a little over 21.2%, according to Lamborn & Co., New York. The 1941 average is the highest since 1937 when the figure was 3.443 cents per pound. It is pointed out that:

> The 1941 average price for refined sugar, net cash at New York, including excise tax, is 4.922 cents per pound as contrasted with 4.337 cents in 1940, an increase of 13.5%. The 1941 average is the highest since 1932, when the figure was 4.99 cents per pound.
>
> The 1941 average price for world sugar, converted to a New York basis, is 1.849 cents per pound as contrasted with 1.326 cents per pound in 1940, an increase of 39.4%. The 1941 average is the highest since 1929, when the figure was 1.904 cents per pound.

NY Savings Bankers To Meet On January 20

"The Way to Victory" will be the theme of the annual Mid-Winter Conference of the Savings Banks Association of the State of New York to be held on Jan. 20 at the Waldorf Astoria Hotel in New York City. Over 400 savings banks' officers and trustees will attend the meeting, which will consist of an all-day, off-the-record discussion session, focused on specific matters, pertaining to the war effort. The conference will be preceded by a dinner, sponsored by Henry Bruere, President of the State Association, on the evening of Jan. 19 for Committee members, at which the Chairmen of the various Association Committees will report on the subjects which they have under consideration. These will include, among others:

Financing Defense Housing, by Earl B. Schwulst, Vice-President of the Bowery Savings Bank, New York.

The cooperative campaign to induce greater savings volume, by Andrew Mills, Jr., President of the Dry Dock Savings Institution, New York.

Air Raid Precautions, by Paul W. Albright, General Secretary of the State Association.

State Legislation, by Myron S. Short, Vice-President, Buffalo Savings Bank.

Mortgages and Real Estate, by Edward J. Pierce, formerly Deputy Superintendent of Banks, and now Executive Vice-President of the Harlem Savings Bank, New York.

Legal Investments, by Barnard Townsend, President of the Troy Savings Bank.

Employee Relations, by Clarence G. Michalis, Chairman of the Executive Committee, Seamen's Bank for Savings, New York.

Insurance, by Clinton W. Parker, Assistant Secretary of the Dime Savings Bank of Brooklyn.

Non-Farm Foreclosures Are Down In November

Non-farm foreclosures dropped in November to a new low figure for the past 15 years on which records are available, Federal Home Loan Bank Board economists reported on Jan. 3. They said that the 4,204 foreclosure cases in November were 5% below the figure of 4,408 cases reported for October and 27.9% below the 5,832 cases in November, 1940. The previous low in foreclosures was established in August of this year, when 4,271 cases were recorded. The highest rate of foreclosures was reached in a brief period in 1933, when 1,000 cases a day were reported. The announcement by the Board also had the following to say:

> The Board's foreclosure index, adjusted for seasonal variation, dropped in November to a record low of 31.9, a decline of nearly 70% from the average month of the 1935-1939 period. This seasonal index had reached a low level of 32.8 in September, but rose 4% in October.
>
> The 5% drop in foreclosures during November compares favorably with the 2% increase normally expected in this 30-day period, the Bank Board economists said. Geographically, there was a drop in November foreclosures over figures for October in eight of the 12 Federal Home Loan Bank districts. A decline of 26.1% was recorded in the district served by the Federal Home Loan Bank of Indianapolis—the States of Indiana and Michigan—and a decline of 21.5% in the district served by the Federal Home Loan Bank of Portland, embracing the States of Idaho. Montana, Oregon, Utah, Washington and Wyoming.

1941 Farm Income Seen Highest Since 1920

Total farm cash income for 1941 is expected to approximate $11,600,000,000, the Bureau of Agricultural Economics, U. S. Department of Agriculture, reported on Dec. 30. This estimate, based on cash farm income for the first 11 months of 1941 together with an allowance for probable marketings, prices received by producers, and Government payments in December, compares with $9,120,000,000 in 1940 and is the highest total for any year since 1920, when farm cash income totaled $12,608,000,000. Of the indicated total for 1941, the Bureau says, $11,000,000,000 was received from farm marketings and $600,000,000 from Government payments.

The Bureau also reported that cash income from farm marketings and Government payments in November totaled $1,313,000,000, compared with $1,485,000,000 in October and $942,000,000 in November last year. Government payments in November totaled $68,000,000, compared with $79,000,000 in November, 1940, and $43,000,000 in October. From the Bureau's announcement we also quote:

> For the first 11 months of 1941, cash income and Government payments totaled $10,488,000,000, compared with $8,257,000,000 in the same period of 1940. Income from farm marketings totaled $9,986,000,000, 32% more than the $7,561,000,000 received from January through November last year. All groups of commodities have recorded sharp increases in income, but the greatest increases have been in returns from cotton and cottonseed, meat animals, poultry and eggs, and grains. Government payments in the first 11 months of 1941 totaled $502,000,000, compared with $696,000,000 from January to November last year.

H. D. White To Handle All Treasury Matters With Foreign Bearing

Secretary of the Treasury Morgenthau announced on Dec. 20 that Harry D. White, Assistant to the Secretary, has been assigned full responsibility for all matters with which the Treasury has to deal that have a bearing on foreign relations. In its announcement the Treasury Department said:

> Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of adviser to the Secretary on all Treasury foreign affairs matters, and will assume responsibility for the management and operation of the Stabilization Fund without change in existing procedures.
>
> H. Merle Cochran, who has been directing operations of the Stabilization Fund since September, 1939, has been recalled to his post of Foreign Service Officer in the State Department.

Pinney Exchange Head

W. W. Pinney was nominated on Jan. 5 to serve a second term as President of the New York Coffee and Sugar Exchange, Inc., and R. L. Lamborn was again named to serve as Treasurer. N. B. Craig was nominated for the post of Vice-President, replacing Geo. Christman, while John C. Gardner was named to take Mr. Craig's place on the Board of Managers. Other members of the Board, namely Harold L. Bache, John A. Higgons, Jr., P. R. Nelson, M. E. Rionda and Frank C. Russell, were nominated to serve a further two-year term in office. The annual election will take place at the Exchange on Jan. 15.

Feb. 16 Registration Date

President Roosevelt on Jan. 5 proclaimed Feb. 16 as the date for registration of all men between the ages of 20 and 45 who have not previously registered for possible military service. No mention was made in the proclamation for registration of men between 18 and 20 and 45 and 65 who wil be required to register at a later date but under existing law will not be subject to military service.

In his proclamation, the President noted that "a state of war now exists between the United States of America and the Empire of Japan, Germany and Italy" and that "this and other registrations under the Selective Training and Service Act of 1940 and the amendments thereto will be required to insurce victory, final and complete, over the enemies of the United States." He also called upon the Governors of the several States and of the Territories "to do and perform all acts and services necessary to accomplish effective and complete registration" and urged all employers and governmental agencies of all kinds to give workers sufficient time in which to register.

The registration applies to all male citizens of the United States and other male persons who were born on or after Feb. 17, 1897 and on or before Dec. 31, 1921. The registration will take place in the United States, Alaska, Hawaii and Puerto Rico between the hours of 7 a.m. and 9 p.m. It is estimated by Selective Service Headquarters that about 9,000,000 men will be registered. The 17,500,000 men between the ages of 21 and 35, inclusive, who registered for military service under two previous registrations, will not be required to be enrolled again.

Passage of the amendment draft bill, requiring the registration of all men from 18 to 64, was reported in these columns Jan. 1, 1942, page 37.

OPM Limits Wool Use For First Quarter

The Office of Production Management is working out a wool conservation program designed to conserve wool and to speed work among the entire industry. R. R. Guthrie, chief of the OPM Textile, Clothing and Equipage Branch, outlined on Dec. 30 a program to restrict the total use of wool for the first quarter of 1942 to 80% of the average rate prevailing for the first six months of 1941. Under the proposed curtailment order, the 80% production is to be allowed for both military and non-military uses with production over this limit allowed only for military uses. What remains, up to the 80% allocation for both uses, will be made available for non-military or civilian needs.

Use of wool for non-military requirements is divided into the following four categories under the new program.

1. Manufacturers of worsteds would be cut to 50% of their last year's use of wool for a similar period.
2. Manufacturers of woolens would be cut to 40%. They are given less wool than worsted manufacturers because they can mix new wool with reworked, or used wool, and waste from manufacturing processes.
3. Manufacturers of floor coverings would be limited to 50% of the carpet wool they used during the same period last year.
4. All other manufacturing systems using wool would be cut to 40% of the amount of wool they used during the similar period last year.

On Dec. 18 Price Administrator Leon Henderson issued an emergency schedule requiring that raw wool, wool tops and wool yarns must not be sold at prices higher than those which prevailed between Oct. 1 and Dec. 6, 1941. The schedule applied to all forms of selling, including "futures" as well as "spots", but excluded retail sale of wool yarns. Mr. Henderson took this action in view of the war in the Pacific threatening to curtail imports, to protect civilians against increases in the cost of clothing, blankets and other clothing articles essential to health and well-being.

NYSE Short Interest Lower On December 31

The New York Stock Exchange announced on Jan. 9 that the short interest existing as of the close of business on the Dec. 31 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 349,154 shares, compared with 453,244 shares on Nov. 28, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Dec. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 61,705 shares, compared with 63,802 shares on Nov. 28.

Of the 1,232 individual stock issues listed on the Exchange on Dec. 31 there were 35 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

The number of issues in which a short interest was reported as of Dec. 31, 1941, exclusive of odd-lot dealers' short position, was 397, compared with 415 on Nov. 28, 1941.

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1940—	
Jan. 31	454,922
Feb. 28	485,862
Mar. 29	488,815
Apr. 29	530,594
May 31	428,132
June 28	446,957
July 31	479,243
Aug. 30	474,033
Sept. 30	517,713
Oct. 31	530,442
Nov. 29	515,548
Dec. 31	459,129
1941—	
Jan. 31	498,427
Feb. 28	487,151
Mar. 31	537,613
Apr. 30	510,969
May 29	496,892
June 30	478,859
July 31	487,169
Aug. 29	470,002
Sept. 30	486,912
Oct. 31	444,745
Nov. 28	453,244
Dec. 31	349,154

President Sets Up Cattle Import Quota

President Roosevelt signed on Dec. 23 a proclamation allocating among foreign countries for the calendar year 1942 the tariff quota applicable to cattle weighing 700 pounds or more each, other than cows imported for dairy purposes. Regarding the proclamation, the Associated Press reports:

> This quota was established in the trade agreement with Canada signed on Nov. 17, 1938. It provides that not more than 225,000 head of such cattle may be imported in any calendar year at a rate of duty of 1½ cents a pound and that not more than 60,000 head of this quantity may be imported in any quarter year. Imports above these amounts are dutiable at 3 cents a pound.
>
> In today's proclamation 86.2% of the quota was allocated to Canada and 13.8% to other foreign countries. These proportions are the same as for 1941.
>
> Application of the percentages to the maximum annual quota established in the agreement results in the following allocation for 1942: Canada, 193,950 head; other foreign countries, 31,050.

Jesse Jones On SPAB

Jesse H. Jones, Secretary of Commerce and Federal Loan Administrator, was appointed a member of the Supply Priorities and Allocations Board by President Roosevelt on Dec. 31, in a move designed to speed up war production. In announcing the appointment, Stephen T. Early, White House Secretary, said that the President "has felt for some time that active participation of the United States in the war makes it necessary to have thorough, integrated consideration of all factors affecting supplies for military and civilian requirements, as well as the extension of credit and other methods of financing."

The SPAB, established on Aug. 28, set up the machinery for fixing priorities and allocations of the supply of materials, fuel and power and other commodities of all kinds in the United States. The Board is charged with the duty of dividing the available supply of materials between military, defense-aid, total civilian and economic defense needs. Other members of the SPAB are Secretary of War Stimson and Secretary of the Navy Knox; the co-directors of the Office of Production Management, William S. Knudsen and Sidney Hillman; Harry L. Hopkins, the President's special assistant supervising the defense-aid program, and Price Administrator Leon Henderson. Creation of the Board was reported in these columns Aug. 30, page 1205.

NYSE Borrowings

The New York Stock Exchange announced on Jan. 5 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Dec. 31 aggregated $388,601,294, a decrease of $47,116,379 as compared with the Nov. 29 total of $435,717,673. The following is the Stock Exchange's announcement:

> The total of money borrowed from banks, trust companies and other leaders in the United States, excluding borrowings from other members or national securities exchanges reported by New York Stock Exchange member firms as of the close of business Dec. 31, 1941, aggregated $388,601,294.
>
> The total of money borrowed, compiled on the same basis, as of the close of business Nov. 29, 1941, was $435,717,673.

Swedish State Credit Is Denied Germany

The German proposal that Sweden grant outright state credit for Germany's 1942 purchases in Sweden was not accepted by the Swedes in the new trade agreement signed in Stockholm on Dec. 19 after protracted negotiations, according to word received in New York by the American Swedish News Exchange, Inc. The advices add:

> Generally, the new agreement provides for the same Swedish import quotas as for 1941, the figure for coal and coke being put at 5,700,000 tons and that for merchant iron at 300,000 tons. The chemical and pig iron quotas have been raised. As in the past, the prices of German coal and iron will be balanced against that for Swedish iron ore. Both will be raised, on an average, 4%, but this increase will not apply to the remainders of this year's deliveries.

Sugar Statistics for 11 Months, 1941

The Department of Agriculture on Jan. 8 issued its monthly statistical statement on sugar covering the first eleven months of 1941, consolidating reports obtained from cane sugar refiners, beet sugar processors, importers and others. The statement was prepared by the Sugar Division of the Agricultural Adjustment Administration.

Total deliveries of sugar during the period January-November, 1941, amounted to 7,360,080 short tons, raw value, compared with 6,323,849 tons during the corresponding period last year. The Department gave the following details:

> Distribution of sugar in continental United States during the first eleven months of 1941 in short tons, raw value, was as follows:
>
> | | |
> |---|---|
> | Raw sugar by refiners (Table 1) | 8 368 |
> | Refined sugar by refiners (Table 2) | *4 997 376 |
> | Beet sugar processors (Table 2) | 1,746,512 |
> | Importers' direct-consumption sugar (Table 3) | 538,827 |
> | Mainland cane mills for direct consumption (Table 4) | 68,997 |
> | Total | 7,360 080 |
>
> The distribution of sugar for local consumption in Puerto Rico for the first eleven months of 1941 was 71,063 tons (Table 5). Data for the Territory of Hawaii are not yet available.
>
> Stocks of sugar on hand Nov. 30 in short tons, raw value, were as follows:†
>
> | | 1941 | 1940 |
> |---|---|---|
> | Refiners' raws | 418.782 | 367.864 |
> | Refiners' refined | 297 773 | 333.885 |
> | Beet sugar processors | 1,162,104 | 1,282.773 |
> | Importers' direct-consumption sugar | 75 183 | 56 053 |
> | Mainland cane factories | 73.283 | 94.633 |
> | Total | 2,027,125 | 2.135 208 |
>
> The statement of charges against the 1941 quotas during January-November was made public on Dec. 6. (See issue of Dec. 18, page 1574—Ed.)
>
> *Excludes exports during January-September. †Not including quota raws for processing held by importers other than refiners, which amounted to 18.537 short tons, commercial value, in 1941 and 23,736 short tons, commercial value in 1940.
>
> TABLE I
>
> Raw sugar: Refiners' stocks, receipts, meltings and deliveries for direct consumption for January-November, 1941 (short tons, raw value)
>
> | Source of supply— | Stocks on Jan. 1, 1941 | Receipts | Meltings | Deliveries for direct consumption | Lost by fire, etc. | Stocks on Nov. 30, 1941 |
> |---|---|---|---|---|---|---|
> | Cuba | 87,288 | 2,273,777 | 2,162 624 | 2 694 | 92 | *195 655 |
> | Hawaii | 34,279 | 866,557 | 838.913 | 2.210 | 0 | 60.232 |
> | Puerto Rico | 88.889 | 798,031 | 866 689 | 1,247 | 78 | 18,906 |
> | Philippines | 65,727 | 786 175 | 773 645 | 13 | 145 | 78 099 |
> | Continental | 48,223 | 212 286 | 218 085 | 2,204 | 20 | 40,200 |
> | Virgin Islands | 0 | 4 602 | 4.602 | 0 | 0 | 0 |
> | Other countries | 12,437 | 222,860 | 209,605 | 0 | 2 | †25,690 |
> | Miscellaneous (sweepings, etc.) | 0 | 405 | 405 | 0 | 0 | 0 |
> | Total | 337,362 | 5.164,693 | 5,074.568 | 8,368 | 337 | 418,782 |
>
> Compiled in the Sugar Division, from reports submitted by sugar refineries.
>
> *Includes 159.117 tons in customs' custody. †Includes 9,838 tons in customs' custody.
>
> TABLE II
>
> Stocks, production and deliveries of cane and beet sugar by United States refiners and processors, January-November, 1941 (short tons, raw value)
>
> | | Refineries* | Domestic beet factories |
> |---|---|---|
> | Initial stocks of refined, Jan. 1, 1941 | 271.268 | 1 601,654 |
> | Production | 5,071.342 | 1 306 962 |
> | Deliveries | †5,044.837 | ‡1 746.512 |
> | Final stocks of refined, Nov. 30, 1941 | 297,773 | 1.162.104 |
>
> Compiled by the Sugar Division, from reports submitted by sugar refineries and beet sugar factories.
>
> *The refineries figures are converted to raw value by using the factor 1.063030 which is the ratio of meltings of raw sugar to refined sugar produced during the years 1939 and 1940. †Deliveries include sales for export. These sales amounted to 47 461 short tons, raw value, during January-September, 1941; data for exports during October and November are not available. ‡Larger than actual deliveries by a small amount representing losses in reprocessing, etc.
>
> TABLE III
>
> Stocks, receipts and deliveries of direct-consumption sugar from specified areas, January-November, 1941 (short tons, raw value)
>
> | Source of supply— | Stocks on Jan. 1, 1941 | Receipts | Deliveries or usage | Stocks on Nov. 30 1941 |
> |---|---|---|---|---|
> | Cuba | 25,702 | 377.932 | 348 415 | *55 219 |
> | Hawaii | 0 | 4,548 | 4,548 | 0 |
> | Puerto Rico | 241 | 130 642 | 124.540 | †6 343 |
> | Philippine | 12,932 | 57 103 | 56 619 | 13,416 |
> | Other foreign areas | 303 | 4.607 | 4 705 | 205 |
> | Total | 39,178 | 574,832 | 538 827 | 75,183 |
>
> Compiled in the Sugar Division from reports and information submitted by importers and distributors of direct-consumption sugar.
>
> *Includes 4,661 tons in customs' custody. †Includes 5,350 tons in customs' custody.
>
> TABLE IV
>
> Mainland cane mills' stocks, production and deliveries, January-November, 1941 (short tons, raw value)
>
> | Jan. 1, 1941 | Production | Deliveries—For direct consumption | Deliveries—For further processing | Stocks on Nov. 30 1941 |
> |---|---|---|---|---|
> | 60,214 | 304,901 | 68,997 | 222,835 | 73,283 |
>
> TABLE V
>
> Distribution of sugar for local consumption in the Territory of Hawaii and Puerto Rico, January-November, 1941 (short tons, raw value)
>
> | | | | |
> |---|---|---|---|
> | Territory of Hawaii | *30,534 | Puerto Rico | 71,063 |
>
> *Distribution during January-October. Data for November not yet available.

Bank Debits Down 3.5% From Last Year

Bank debits as reported by banks in leading centers for the week ended Jan. 7 aggregated $10,329,000,000. Total debits during the 13 weeks ended Jan. 7 amounted to $150,756,000,000, or 21% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 14% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 25%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Week Ended Jan. 7, 1942	Week Ended Jan. 8, 1941	13 Weeks ended Jan. 7, 1942	13 Weeks ended Jan. 8, 1941
Boston	622	621	8 648	7 454
New York	3.876	4.486	60 084	52 687
Philadelphia	579	570	8.187	6 579
Cleveland	754	720	11 087	8 723
Richmond	442	415	6 079	4 765
Atlanta	384	353	5 018	3 910
Chicago	1.588	1,587	22 670	18.333
St. Louis	356	333	4 984	3.851
Minneapolis	192	179	2 861	2.207
Kansas City	336	324	4 698	3 710
Dallas	308	280	4 155	3 129
San Francisco	894	833	12.284	9.672
Total, 274 reporting centers	10 329	10.701	150 756	125 020
New York City*	3.515	4.118	54 902	48 365
140 Other leading centers*	5.847	5.668	82 784	66 297
133 Other centers	968	916	13 069	10.358

* Included in the national series covering 141 centers, available beginning with 1919.

Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report stated that the total production of soft coal in the week ended Jan. 3 is estimated at 9,800,000 net tons. Output was curtailed by the holiday observance of New Year's Day; the total for the week, however, was greater by 1,640,000 tons, or 20% than that in Christmas week.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended Jan. 3 was estimated at 728,000 tons, a decrease of 112,000 tons from the preceding week. Output in the corresponding week of 1941 was 817,000 tons. Cumulations for the calendar year 1941 amounted to 54,351,000 tons, an increase of 2,866,000 tons when compared with the 51,485,000 tons produced in 1940.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			
	Jan. 3, '42	Dec. 27, '41c	Jan. 4, '41	Jan. 5, '29
Bituminous Coal *a*—				
Total, including mine fuel	9,800,000	8,160,000	8,809,000	10,030,000
Daily average	1,960,000	1,632,000	1,762,000	1,857,000
Crude Petroleum *b*—				
Coal equivalent of weekly output	6,468,000	6,537,000	5,394,000	4,150,000

a Includes for purposes of historical comparison and statistical convenience the production of lignite. *b* Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,000 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal ("Minerals Yearbook," 1939, p. 702). *c* Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week-Ended			Calendar year to date		
Penn. Anthracite—	Jan. 3, 1942	Dec. 27, 1941	Jan. 4, 1941	Jan. 3, 1942	Jan. 4, 1941	Jan. 5, 1929
a Total, including colliery fuel	728,000	840,000	817,000	112,000	364,000	917,000
b Comm'l production	692,000	798,000	776,000	106,000	346,000	851,000
Beehive Coke—						
U S total	142,600	146,700	107,500	71,300	58,500	84,100

a Includes washery and dredge coal, and coal shipped by truck from authorized operations. *b* Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Dec.
State—	Dec. 27 1941	Dec. 20, 1941	Dec. 28, 1940	Dec. 30, 1939	Dec. 28, 1929	average *e*1923
Alaska	3	3	4	1	(*f*)	(*f*)
Alabama	237	373	226	277	224	349
Arkansas and Oklahoma	54	82	72	82	113	83
Colorado	157	164	172	197	203	253
Georgia and North Carolina	1	1	*	*	(*f*)	(*f*)
Illinois	1,070	1,258	1,081	1,164	1,309	1,535
Indiana	449	513	423	382	387	514
Iowa	46	56	61	74	92	121
Kansas and Missouri	158	173	168	170	143	159
Kentucky—Eastern	479	786	526	633	550	584
Western	210	251	164	208	238	204
Maryland	33	38	30	30	37	37
Michigan	7	6	2	6	12	21
Montana	69	83	63	65	53	64
New Mexico	23	28	24	26	43	56
North and South Dakota	65	76	55	63	*f*42	*f*27
Ohio	473	650	360	387	416	599
Pennsylvania bituminous	2,190	2,522	2,102	2,025	2,070	2,818
Tennessee	88	146	86	107	66	103
Texas	8	9	7	14	10	21
Utah	80	96	95	91	94	100
Virginia	230	395	192	236	135	193
Washington	28	34	34	33	39	57
West Virginia—*a*Southern	1,264	2,097	1,298	1,388	950	1,132
*b*Northern	607	758	580	584	454	692
Wyoming	131	152	130	117	131	173
*c*Other Western States	*	*	1	*	*f*5	*f*5
Total bituminous coal	8,160	10,750	7,956	8,360	7,816	9,900
*d*Pennsylvania anthracite	840	1,055	890	1,034	1,212	1,806
Total, all coal	9,000	11,805	8,846	9,394	9,028	11,706

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay Counties. *b* Rest of State, including the Panhandle District and Grant, Mineral, and Tucker Counties. *c* Includes Arizona, California, Idaho, Nevada, and Oregon. *d* Data for Pennsylvania anthracite from published records of the Bureau of Mines. *e* Average weekly rate for entire month. *f* Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

ESTIMATED PRODUCTION OF COAL, BY STATES, IN NOVEMBER, WITH TOTAL OUTPUT FOR FIRST 11 MONTHS OF 1941, 1940, and 1937

(In Thousands of Net Tons)

(Figures are preliminary estimates based on railroad carloadings and river shipments of coal and beehive coke, supplemented by direct reports from a number of mining companies, local coal operators' associations, and detailed monthly production statistics compiled by the State Mine Departments of Colorado, Illinois, Pennsylvania, Washington, and West Virginia. In making the estimates, allowance is made for commercial truck shipments, local sales, and colliery fuel, and for small trucking mines producing over 1,000 tons a year.

The estimates here given are based upon the latest information available, and differ in some cases from the current figures previously published in the Weekly Coal Report.)

State	November, 1941		Oct.,	Nov.,	Calendar year to end of November		
	Net tons	% of total	1941	1940	1941	1940	1937
Alaska	14	.03	15	18	158	132	119
Alabama	1,293	2.95	1,223	1,245	13,683	13,787	11,285
Arkansas and Oklahoma	380	.87	458	375	3,076	2,760	2,670
Colorado	690	1.58	655	767	6,045	5,719	6,336
Georgia and N. Car.	4	.01	3	2	35	26	9
Illinois	4.780	10.92	4,868	4,637	48.040	44,084	45 951
Indiana	2,223	5.09	2,270	1,714	20,267	16,515	15,714
Iowa	250	.57	232	292	2,177	2,590	3 210
Kansas and Missouri	678	1.55	655	658	6,675	5,952	6,114
Kentucky:							
Eastern	3 326	7.60	4,370	3,150	37.866	36,670	35,475
Western	1,020	2.33	957	761	10,660	7,807	7.565
Maryland	126	.29	166	127	1,552	1,333	1,419
Michigan	37	.08	34	42	336	398	494
Montana	405	.93	406	347	3 069	2,643	2.664
New Mexico	107	.24	106	95	1,053	968	1,578
North and So. Dakota	401	.92	322	400	2,126	1.961	1.988
Ohio	2.788	6.37	3,107	1,820	26 626	20,152	23.102
Pennsylvania bituminous	9,813	22.42	12,205	10,240	110,907	102,644	103 577
Tennessee	585	1.34	681	465	6,108	5,495	4.789
Texas	32	.07	37	40	344	621	830
Utah	400	.91	465	420	3.553	3.082	3 400
Virginia	1,585	3.62	1,845	1,195	16 315	13,730	12.693
Washington	177	.40	190	185	1,689	1,502	1,822
West Virginia:							
Southern (*a*)	8 741	19.97	10 663	7,711	93 614	87.825	83,117
Northern (*b*)	3,261	7.45	3,951	2,660	34.393	28.334	26.888
Wyoming	647	1.48	728	642	5,800	5,098	5,293
Other West. States (*c*)	2	.01	3	4	26	17	12
Total bituminous coal	43.770	100.00	50.615	40.012	456.193	411.845	408 114
Penn. anthracite (*d*)	3 832	----	5,380	3,980	50.233	46.651	47.097
Total. All Coal	47 602	---	55,995	43,992	506,426	458,496	455,211

(*a*) Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. (*b*) Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. (*c*) Includes Arizona, California, Idaho, Nevada, and Oregon. (*d*) Data for Pennsylvania anthracite from published records of the Bureau of Mines.

Survey Of R. E. Market Finds Prices Advancing

With presence or absence of war industries the dominant present influence on real estate activity in American cities, and with priorities for new home building the greatest present element of uncertainty, real estate selling prices are higher than they were a year ago in 62% of the cities of the country and in 75% of the cities in defense areas, according to reports made to the National Association of Real Estate Boards in its 38th semi-annual survey of the real estate market. The rise has been a median of 10%. In one city out of ten it has been 15% or higher. Lower prices are reported by only 3% of the cities of the country, and by only 1% of cities in defense areas. As to the survey which was made public on Dec. 28, the Association says:

> Market activity is higher than it was a year ago in 68% of the cities of the country, and in 76% of the cities in defense areas.
>
> The survey, made just at the time of our entering a state of war with Japan, Germany, and Italy, sounds out our remaining industrial real estate supply, is valuable for the picture it gives of relationship between building supply, rents, construction costs and volume of new production at this time when we must formulate basic wartime policies for both military and civilian needs. The reports are made confidentially by local member boards of the Association. Price changes and home building reports are from 323 cities. Reports in full are from 248 cities.

The Association lists the following as some of the key facts found:

> 1. Immediate effect of war declaration, some hesitancy of capital, of course, and heightening of uncertainty as to any normal new construction.
>
> 2. We enter this war with shortage (though generally not acute shortage) in single family dwellings already existing in 57% of the cities of the country and in 67% of the cities in defense areas. Shortage is chiefly in small houses, modern houses, rental houses. Shortage of apartments is reported by 45% of all the cities, and by 54% of the cities in defense areas.
>
> 3. Actual costs of building a home have increased in the last six months (despite price ceilings on certain lumber, etc.) in 99% of the cities of the country. The increase has been a median of 10%. But in one city out of five costs went up 20% or higher.
>
> 4. Rents for single-family dwellings stiffened over the past year in 71% of the reporting cities and in 87% of cities in defense areas. Apartment rents rose also, but by no means so generally. They went up in 59% of the reporting cities and in 75% of cities in defense areas. The individual increase reported is a median of 10% both for dwellings and apartments. General rent levels of the cities, of course, advanced far less. Labor Bureau figures for their latest twelve-month period (September, 1940 to September, 1941) show an average total rise in residential rents of 2.1%
>
> Where rents went down the individual drop was a median of 10%.

Findings of the survey bearing on important matters of war-time public policy:

> 1. As of the date we enter the war and perforce re-examine our national economy, in 62% of the cities of the country and in 74% of defense-area cities, according to these reports, new home building for civilians is needed to avert housing shortage.
>
> 2. Significant in relation to defense rental housing and defense-area rent policy: In 70% of all reporting cities, and even in 66% of defense-area cities, residential rents, despite their slow steady recovery underway since 1933, are not today sufficient to justify investment in rental housing at present construction costs.
>
> 3. There is practical present need for remodeling old houses in 85% of the cities of the country and in 92% of cities in defense areas.

November Surplus Farm Commodity Purchases

Agricultural commodities bought by the Surplus Marketing Administration during November, under the general program of purchases for Lend-Lease and other needs, reached a value of more than $73,000,000, the Department of Agriculture reported on Dec. 26. November buying brought the total, for the period March 15 through Nov. 30, to more than $500,000,000 for the F.O.B. commodity cost, not including handling and transportation charges. The Agriculture Department announcement added:

> Animal protein products—dairy, poultry, and pork—ranked high among the agricultural purchases announced in the current report. These are "musts" on the list of commodities needed by Great Britain to keep up her supply of vital foodstuffs. Of the total purchases, more than $148,000,000 was used for meat products and lard; over $81,000,000 for dairy products; nearly $68,000,000 for dried, frozen and shell eggs.
>
> Heavy purchases have also been made of fruits, vegetables and cereals. Most of the fruits and vegetables have been dried or canned, providing supplies in forms which keep well and conserve shipping space.
>
> Concentrates of various kinds make up one important group of the commodity purchases reported. These include concentrated citrus juices, in some instances cut down to one-tenth the original volume. After shipment, they can be reconstituted to the original juice form by the addition of water, thus providing badly needed supplements for the British diet. Various vitamin concentrates are also included in the purchase list. These are used primarily to fortify available foodstuffs. Other special purchases include pectin, sorbose, dextrose, pomace, carotene, and similar commodities for use in making needed jams or jellies, in building up vitamin supplies, or for other special purposes.
>
> While the great majority of the agricultural supplies bought under the general program are intended for transfer to other countries under Lend-Lease provisions, the reported purchases also include supplies to be used for school lunch and other domestic relief distribution programs, to meet Red Cross needs, or to build reserve stockpiles.

Boston Globe Raises Price To Three Cents

The price of the morning edition of the Boston "Globe" has been raised from two to three cents a copy. The newsstand and newsboy price for some time had been three cents outside of Greater Boston, and the paper recently announced that beginning Jan. 5, it would be three cents everywhere.

This leaves but one standard-size morning newspaper in Boston at the old price of two cents—the "Post." The "Herald" went up to three cents on July 1, 1940.

New York Savings Bank Life Insurance System Completes Third Year

The Savings Bank Life Insurance System in New York State at the end of its third year of operation has issued "over-the-counter" more than $20,000,000 of life insurance, according to an announcement made on Jan. 7 by Judge Edward A. Richards, President of the Savings Banks Life Insurance Fund, on the third anniversary of the system. The statement added that nearly $1,500,000 of new insurance was issued in the month of December, 1941—more than three times the amount of insurance written in December of 1940. Judge Richards is quoted as saying:

> This increase in new policies issued during December is of direct aid in our present national emergency, since new investments of Savings Bank Life Insurance premiums are made in the interests of the Government's Defense Program. Life insurance constitutes an important savings medium for those who also require immediate protection, and should not be overlooked in reports on the current rate of savings.

During 1941, it was pointed out, 25 additional mutual savings banks adopted over-the-counter life insurance; and with a total of 43 banks now in the System, Savings Bank Life Insurance is widely available to a large percentage of the State's population. It is also stated:

> In the Greater New York era, the insurance is now being offered through 48 savings bank offices. In addition, it is available in most of the principal up-State cities, such as Albany, Auburn, Buffalo, Rochester, Rome, Schenectady, Syracuse and Troy, as well as in many of the smaller communities. The Bowery Savings Bank — the largest mutual savings bank in the country—the Dry Dock Savings Institution in Manhattan, and the Williamsburgh and Dime Savings Banks in Brooklyn, representing jointly over one million depositors, joined the system in the past year and have greatly increased the availability of the economical over-the-counter insurance. Further spread is anticipated in 1942, particularly with the added emphasis on all forms of savings.

"The 1941 dividend scale will be continued in 1942, with third-year dividends increased about 60 cents over the second-year rate on most policies," Judge Richards declared. He added:

> The basic purpose of the savings banks in offering this service is to provide sound life insurance protection in moderate amounts at the lowest possible cost. This automatically stops extensive promotion, and sales expense is kept at a minimum, as policies are available only on direct application to the savings banks.

Norwegian Bond Payment

Holders of Kingdom of Norway 20-year 6% sinking fund external loan gold bonds, due Aug. 15, 1943, are being notified by W. Morgenstierne, Minister of Norway, that $783,000 principal amount of this issue has been drawn by lot for redemption at par through operation of the sinking fund on Feb. 15, 1942. Payment will be made at the head office of The National City Bank of New York, 55 Wall Street, New York, subject to granting of a license by the treasury department under Executive Order 8389, as amended, and under any conditions which may be contained in such license.

1941 Steel Output 25% Above 1940 Peak

Almost 83,000,000 tons of steel were produced by the American steel industry during 1941, or nearly 25% more than the previous peak output achieved in 1940, the American Iron and Steel Institute anounced Jan. 9.

The industry ended the year with a production rate that brought output in December within 1% of the best monthly total on record despite a growing shortage of certain of its raw materials, principally scrap. Output in the last quarter of the year was ahead of any previous quarter on record.

The total of 82,927,557 net tons of open hearth, Bessemer and electric furnace steel ingots and castings produced in 1941 compares with output of 66,981,662 tons in 1940. The 1941 tonnage exceeds by 65% the peak output during World War I, 50,467,880 tons in the year 1917.

During 1941, the industry's plants operated at an average of 97.4% of capacity, which compares with a rate of 82.1% of capacity during 1940, and with 90.8% of capacity in 1917.

Production in December totaled 7,163,999 tons, as against output of 6,969,987 tons in November, and 6,495,357 tons in December, 1940.

The rate of operations in December represented 98.1% of capacity, compared with operating rates of 98.3% in November and 94.1% in December, 1940.

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

	Estimated Production —All Companies— Total			
Period	Net tons	Percent of capacity	Calculated weekly production, all companies (net tons)	Number of weeks in month
1941 †				
January	6,928,085	96.9	1,563,902	4.43
February	6,237,900	96.6	1,559,475	4.00
March	7,131,641	99.7	1,609,851	4.43
1st Quarter	20,297,626	97.8	1,578,353	12.86
April	6,756,949	97.6	1,575,046	4.29
May	7,053,238	98.7	1,592,153	4.43
June	6,800,730	98.2	1,585,252	4.29
2nd Quarter	20,610,917	98.2	1,584,237	13.01
1st 6 months	40,908,543	98.0	1,581,312	25.87
July	6,821,682	93.4*	1,543,367	4.42
August	7,000,957	95.7	1,580,351	4.43
September	6,819,706	96.4	1,593,389	4.28
3rd Quarter	20,642,345	95.2	1,572,151	13.13
9 months	61,550,888	97.0	1,578,228	39.00
October	7,242,683	99.0	1,634,917	4.43
November	6.969.987	98.3	1,624.706	4.29
December	7,163,999	98.1	1,620,814	4.42
4th quarter	21,376,669	98.5	1,626,839	13.14
Total	82,927,557	97.4	1,590,479	52.14
1940 †				
January	5,764,723	83.4	1,301,292	4.43
February	4,525,797	70.0	1,093,188	4.14
March	4,389,183	63.5	990,786	4.43
1st Quarter	14,679,703	72.3	1,129,208	13.00
April	4,100,474	61.2	955,821	4.29
May	4,967,782	71.8	1,121,395	4.43
June	5,657,443	84.5	1,318,751	4.29
2nd Quarter	14,725,699	72.5	1,131,875	13.01
1st 6 months	29,405,402	72.4	1,130,542	26.01
July	5,724,625	83.0	1,295,164	4.42
August	6,186,383	89.5	1,396,475	4.43
September	6,056,246	90.6	1,415,011	4.28
3rd Quarter	17,967,254	87.7	1,368,412	13.13
9 months	47,372,656	77.5	1,210,339	39.14
October	6,644,542	96.1	1,499,897	4.43
November	6,469,107	96.6	1,507,950	4.29
December	6,495,357	94.1	1,469,538	4.42
4th Quarter	19,609,006	95.6	1,492,314	13.14
Total	66,981,662	82.1	1,281,210	52.28

* Revised.

†Based on Reports by Companies which in 1940 made 98.43% of the Open Hearth, 100% of the Bessemer and 85.82% of the Electric Ingot and Steel for Castings Production.

Note—In 1940 the percentages of capacity operated are calculated on weekly capacities of 1,410,130 net tons open hearth, 114,956 net tons Bessemer and 36,011 net tons electric ingots and steel for castings, total 1,561,097 net tons; based on annual capacities as of Dec. 31, 1939 as follows: Open hearth 73,721,592 net tons, Bessemer 6,009,920 net tons, electric 1,882,630 net tons. In 1941 the percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Dec. 31, 1940 as follows: Open hearth 74.565.510 net tons, Bessemer 6,996.520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130,292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as of June 30, 1941 as follows: Open hearth 76,079,130 net tons, Bessemer 6.793.400 net tons, Electric 3.272.370 net tons.

Statutory Debt Limitation As Of Dec. 31, 1941

The Treasury Department made public on Jan. 5 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding Dec. 31, 1941, totaled $58,777,724,781 thus leaving the face amount of obligations which may be issued subject to the $65,000,000,000 statutory debt limitation at $6,222,275,219. In another table in the report the Treasury indicates that from the total face amount of oustanding public debt obligations ($58,777,724,781) should be deducted $1.409,364.306 (the unearned discount on savings bonds), reducing the total to $57,368,360,475, and to this figure should be added $569,762,622, the other public debt obligations outstanding, which however, are not subject to the debt limitation. Thus, the total gross public debt outstanding on Dec. 31 is shown as $57,938,123,097.

The following is the Treasury's report as of Dec. 31:

Statutory Debt Limitation as of Dec. 31, 1941

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate $65,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$65,000,000,000
Outstanding as of Dec. 31, 1941:			
Interest-bearing:			
Bonds—			
Treasury	$33,367,393,200		
Savings (maturity value)*	7,549,061,400		
Depositary	63,746,000		
Adjusted service	733,197,856		
		$41,713,398,456	
Treasury notes	$12,198,809,925		
Certificates of indebtedness	2,750,550,000		
Treasury bills (maturity value)	2,001,505,000	16,950,864,925	
		$58,664,263,381	
Matured obligations, on which interest has ceased		113,461,400	
			$58,777,724,781
Face amount of obligations issuable under above authority			$6,222,275,219

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY
Dec. 31, 1941

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended		$58,777,724,781
Deduct, unearned discount on savings bonds (difference between current redemption value and maturity value)		1,409,364,306
		$57,368,360,475
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (pre-war, etc.)	$196,046,600	
Matured obligations on which interest has ceased	11,789,520	
Bearing no interest	361,926,502	
		$569,762,622
Total gross debt outstanding as of Dec. 31, 1941		$57,938,123,097

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement, $6,139,697,093.

December Output And Shipments Of Slab Zinc

The American Zinc Institute on Jan. 7 released the following tabulation of slab zinc statistics:

TOTAL SLAB ZINC SMELTER OUTPUT (ALL GRADES) 1929-1941
(Tons of 2000 lb.)

			Shipments				
	Stock at Beginning	Production	Domestic	Exports & Drawback	Stock End of Period	Unfilled Orders End of Period	Daily Avge. Prod.
1929	46,430	631,601	596,249	6,352	75,430	18,585	1,730
1930	75,430	504,463	436,079	196	143,618	26,651	1,355
1931	143,618	300,738	314,473	41	129,842	18,273	822
1932	129,842	213,531	218,347	170	124,856	8,478	583
1933	124,856	324,705	343,762	239	105,560	15,978	890
1934	105,560	366,933	352,515	148	119,830	30,786	1,004
1935	118,005	431,499	465,687	59	83,758	51,186	1,182
1936	83,758	523,166	561,969	0	44,955	78,626	1,429
1937	44,955	589,619	569,241	0	65,333	48,339	1,615
1938	65,333	456,990	395,534	20	126,769	40,829	1,252
1939	126,769	538,198	598,972	0	65,995	53,751	1,475
1940—							
Jan.	74,262	58,442	54,291	5,535	72,878	36,808	1,885
Feb.	72,878	55,518	50,386	3,481	74,529	47,469	1,914
Mar.	74,529	58,890	49,163	3,633	80,623	34,580	1,900
Apr.	80,623	57,299	45,498	4,604	87,820	45,326	1,910
May	87,820	58,320	53,557	13,526	79,057	55,389	1,881
June	79,057	53,273	52,946	3,854	79,530	59,043	1,776
July	75,530	57,168	56,064	8,627	68,007	53,726	1,844
Aug.	68,007	57,196	59,511	13,478	52,214	69,508	1,845
Sept.	52,214	59,800	63,045	12,148	36,821	95,445	1,993
Oct.	36,821	63,338	63,970	9,129	27,060	116,420	2,043
Nov.	27,060	61,502	61,200	4,864	22,498	126,120	2,050
Dec.	22,498	65,354	64,984	5,286	17,582	125,132	2,108
		706,100	674,615	88,165			
Monthly Average		58,842	56,217	7,347		Daily Average	1,929
1941—							
Jan.	17,582	66,121	63,930	4,914	14,859	121,026	2,133
Feb.	14,859	61,603	57,663	8,155	10,644	108,151	2,200
Mar.	10,644	70,341	65,011	2,629	13,345	97,638	2,269
Apr.	13,345	68,543	65,035	5,379	11,474	95,256	2,285
May	11,474	73,449	61,696	11,394	11,833	98,435	2,369
June	11,833	70,837	61,546	10,023	11,101	92,583	2,361
July	11,101	74,641	62,714	9,180	13,848	81,456	2,408
Aug.	13,848	75,524	61,061	10,342	17,969	68,604	2,436
Sept.	17,969	73,225	64,673	7,094	19,427	67,079	2,441
Oct.	19,427	*76,156	*61,770	12,219	21,594	62,559	2,451
Nov.	21,594	*74,951	*61,154	12,209	23,182	84,101	2,490
Dec.	23,182	78,635	65,690	12,065	24,062	87,666	2,537
		864,026	751,943	105,603			
Monthly Average		72,002	62,662	8,800	Daily Average		2,367

PRODUCTION BY GRADES

Month	Spec. H.G.	High Grade	Intermediate	Brass Spcl.	Select	Prime Western	Total
1941—							
Oct.	16,078	*18,043	3,596	*7,077	1,456	29,906	76,156
Nov.	18,404	16,399	4,695	4,364	1,417	29,672	74,951
Dec.	18,540	17,787	5,131	4,677	1,495	31,005	78,635

*Corrected figures.

Note—Commencing with January 1940, production from foreign ores is included in the monthly figures which reflect the total output at smelters of Slab Zinc of all grades, as reported by all producers represented in the membership of the Institute. The unchanged totals for previous years do not include production from foreign ores, which was not a vital factor in those years; this explains the discrepancy between stock shown at end of 1939 and at the beginning of 1940.

Leaders of CIO and AFL Present Suggestions Regarding War Labor Board

Suggestions incident to the functioning of the proposed War Labor Board, to be set up by President Roosevelt in accordance with the agreement reached in December by management and labor for uninterrupted production in defense production during the war were outlined to Secretary of Labor Perkins by Philip Murray, President of the CIO, and William Green, President of the AFL, at a conference held in Washington, Dec. 29. The conference lasted for more than two hours and it is undestood, said Associated Press advices from Washington, Dec. 29, that the labor leaders submitted to the Secretary a jointly approved plan of procedure for the Board. Secretary Perkins, following the meeting, predicted that President Roosevelt would shortly issue an executive order creating the Board.

According to the Associated Press, the proposals offered by Mr. Murray and Mr. Green, among other things, called for:

1. A Board composed of four labor, four industry, and either one or three representatives of the public.

2. Disputes, which have failed of agreement by collective bargaining, to be settled by conciliation, mediation or voluntary arbitration, with full use being made of the machinery of the United States conciliation service.

3. Final adjustment of all issues in a dispute within 30 days.

4. The Board to be guided by the following principles:

(a) All workers are entitled to a wage sufficient to maintain full efficiency, good health and well-being for themselves and families.

(b) Policies established under the Labor Relations Act, the Wage-Hour Act and other existing labor statutes shall not be impaired.

(c) Continuation of the normal processes of collective bargaining on wages, hours, working conditions and union security.

(b) No strikes or lockouts to be ordered during the war.

The following is also from the Associated Press advices:

Miss Perkins told reporters after the conference that the personnel of the Board was not discussed, but that the talk concerned the size of the Board, the panel system for hearing disputes, and methods of arbitration and administration.

She predicted that an executive order creating the Board would be issued by President Roosevelt late this week or early next.

The labor leaders were understood to have recommended that the Board take over the duties of various Government agencies now handling labor disputes, including the War Department and the Office of Production Management. Miss Perkins said the subject of duplication and how to avoid it was taken up.

The acceptance by President Roosevelt on Dec. 23 of the three-point agreement reached at the industry, labor conference was noted in our issue of Dec. 25, page 1641.

Labor Union Regulation Urged By NY Chamber

At its monthly meeting on Jan. 8 the New York Chamber of Commerce unanimously adopted a resolution calling for the registration and regulation of labor unions and condemnation of the closed shop as a monopoly. The report prepared by the Special Committee on Industrial Problems and Relations, and presented by Chairman Lewis R. Gwyn, said:

> "It is a cause for shame and regret that we should, for so many years, have allowed these powerful groups known as labor unions to grow without any regulation whatever, not even registration. That there have been, and possibly still are, subversive individuals or groups within them, is a matter of common knowledge. Now that defense ceases to be a catchword, and war is upon us, the rule of reason and common sense should prevail, not for the 'duration' but for all time."

War Insurance Coverage Extended To Possessions

The War Insurance Corporation, recently created by the Government to provide protection for property owners in the continental United States, has extended its coverage to include property owners in Alaska, Hawaii, the Philippine Islands, Puerto Rico and the Virgin Islands, it was announced on Dec. 22 by Jesse Jones, Federal Loan Administrator. When the plan has been fully worked out, the statement said, premius probably will be charged on insurance covering losses over some stated amount. "In the meantime no application or report will be required unless there is a loss," Mr. Jones announced.

The War Insurance Corporation was created by the Reconstruction Finance Corporation on Dec. 13 with a capital of $100,000,000. (See issue of Jan. 1, page 21).

League Suggests Economies

Where the Government can economize on its non-war expenditures in the broad housing and home financing activities was pointed out to members of the Byrd Joint Committee on non-defense expenditures in a resolution recently forwarded by the United States Savings and Loan League. The resolution passed by the Miami convention of the League, attended by 1,050 savings and loan managers two days before actual was started, outlined eight specific ways in which a saving or gain could be achieved in the housing field. Under date of Dec. 21 the Association said:

> The steps suggested by the savings and loaners were: prompt liquidation of the Home Owners' Loan Corp.; cessation of mortgage insurance by the FHA on existing properties and tapering off of such insurance on mortgages on new building; abolition of Federal subsidies for farm credit; cessation of the Government's subsidy for the building and operation of new non-defense housing projects; discontinuance of the building of permanent, expensive housing units for civilian defense workers and their families by the Government; assurance of an economic return to the Reconstruction Finance Corporation on the capital stock of the Federal Home Loan Bank System; cessation of the Government's buying mortgages, except those resulting from new defense housing in defense areas; and elimination of the unnecessary cost to the government of the franking of advertising materials, questionnaires, and such materials from the agencies plus drastic curtailment of the employees in the various agencies whose jobs are superfluous to the original purpose for which the agencies were started.

The League's convention sessions were referred to in these columns Dec. 18, p. 1564.

Chappell Describes London Air Raids

H. B. Chappell, Vice-President of the Central Hanover Bank and Trust Co. of New York, and formerly manager of its London office, addressed a luncheon meeting of the New York Financial Advertisers at the Lawyers Club on Jan. 7. He spoke on his experiences in London during air raids and was introduced to the group by Dudley Parsons of the New York Trust Co., who presided.

The maintenance of employee morale is extremely important, said Mr. Chappell. In London, he stated, one of our first tasks was to convince employees that everything possible was being done to look after their safety. Officers of the bank took the same risks as employees he added, and everybody worked on even terms, under the supervision of air raid wardens or other civilian defense authorities. "We found," he stated, "that most of our men expressed concern for the protection of their families at home. In this connection, the bank assisted them in erecting individual air raid shelters at their homes."

CCC Offers Cotton

In order to make certain desirable grades and staple of cotton available to mills, the Commodity Credit Corporation anounced on Jan. 5 that it would offer, effective immediately, Government-owned cotton for sale at 19 cents for 15/16 inch middling stored in Carolina mill areas with appropriate location, grade and staple differentials. It is contemplated that these prices will be applicable for cotton sold through the month of January, although the Corporation reserves the right to terminate the program at any time.

Market Value Of Stocks On New York Stock Exchange Declined In December

The New York Stock Exchange announced on Jan. 6 that as of the close of business Dec. 31, 1941, there were 1,232 stock issues aggregating 1,463,295,021 shares listed on the New York Stock Exchange, with a total market value of $35,785,946,533. This compares with 1,234 stock issues aggregating 1,464,476,868 shares listed on the Exchange on Nov. 29 with a total market value of $37,882,316,239, and with 1,230 stock issues aggregating 1,454,761,737 shares listed on the Exchange on Dec. 31, 1940 with a total market value of $41,890,646,959.

In its announcement the Stock Exchange also said:

> As of the close of business Dec. 31, 1941, New York Stock Exchange member total net borrowings amounted to $388,601,294. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.09%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

Group—	—Dec. 31, 1941— Market Value $	Average Price $	—Nov. 29, 1941— Market Value $	Average Price $
Amusement	268,580,445	12.83	282,373,420	13.56
Automobile	2,448,650,776	20.49	2,717,991,441	22.62
Aviation	546,500,764	16.85	580,686,336	17.93
Building	377,874,266	17.35	406,555,249	18.68
Business and office equipment	253,547,514	21.67	275,810,261	23.58
Chemical	5,355,668,266	56.23	5,337,997,866	56.35
Electrical equipment	1,180,815,850	29.49	1,172,257,807	29.28
Farm machinery	546,319,188	41.69	559,035,260	42.65
Financial	649,999,073	12.68	737,783,223	14.36
Food	2,374,360,761	25.48	2,535,811,033	27.04
Garment	39,237,391	23.43	41,251,474	24.64
Land and realty	13,648,700	2.80	15,193,964	3.12
Leather	177,251,055	21.13	180,643,410	21.54
Machinery and metals	1,175,138,099	17.27	1,289,195,116	19.09
Mining (excluding iron)	1,427,202,304	24.14	1,340,588,545	22.68
Paper and publishing	342,613,256	15.47	367,233,592	16.59
Petroleum	3,908,427,768	20.30	4,374,562,423	22.75
Railroad	2,642,172,870	24.03	2,774,757,074	24.88
Retail merchandising	1,810,850,388	24.69	2,023,025,895	27.59
Rubber	247,084,151	23.33	348,621,574	32.92
Ship building and operating	95,771,573	22.34	100,153,719	23.37
Shipping Services	7,324,325	3.99	8,699,320	4.74
Steel, iron and coke	2,086,811,348	41.06	2,037,544,836	40.09
Textiles	310,542,841	22.42	317,006,220	23.32
Tobacco	1,072,194,112	40.10	1,096,206,245	41.00
Utilities:				
Gas and electric (operating)	1,580,556,526	17.11	1,690,334,615	18.30
Gas and electric (holding)	730,367,326	7.62	812,568,798	8.48
Communications	2,827,149,096	68.68	3,149,471,056	76.51
Miscellaneous	62,807,128	8.62	79,789,788	10.96
U. S. companies operating abroad	467,280,473	14.19	490,860,013	14.91
Foreign companies	656,674,217	16.22	629,039,887	15.54
Miscellaneous businesses	102,524,683	17.47	109,266,779	18.61
All listed stocks	35,785,946,533	24.46	37,882,316,239	25.87

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value	Average Price		Market Value	Average Price
1939—			1940—		
Sept. 30	$47,440,476,682	$33.15	Nov. 30	$41,848,246,961	$28.72
Oct. 31	47,373,972,773	33.11	Dec. 31	41,890,646,959	28.80
Nov. 30	45,505,228,611	31.79	1941—		
Dec. 30	46,467,616,372	32.37	Jan. 31	40,279,504,457	27.68
1940—			Feb. 28	39,398,228,749	27.08
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40.984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37.882,316,239	25.87
Oct. 31	42,673,890,518	29.38	Dec. 31	35,785,946,533	24.46

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Saturday Jan. 3	Monday Jan. 5	Tuesday Jan. 6	Wednesday Jan. 7	Thursday Jan. 8	Friday Jan. 9
Boots Pure Drugs		36/3	36/3	36/9	36/9	36/9
British Amer. Tobacco		85/-	85/-	86/3	86/9	86/3
*Cable & W. ord.		£66	£67	£67	£67½	£68½
Central Min. & Invest.		£13⅜	£13⅜	£13⅜	£13⅜	£13⅜
Cons. Goldfields of S. A.		40/6	40/6	41/3	41/9	41/9
Courtaulds (S.) & Co.		34/3	34/6	35/-	35/3	35/9
De Beers		£8½	£8⅝	£8¾	£8¾	£8⅞
Distillers Co.		73/3	73/3	73/6	74/-	75/6
Electric & Musical Ind.		15/-	15/-	14/9	14/9	15/-
Ford Ltd.		24/9	24/9	24/9	25/-	25/-
Hudsons Bay Company	Closed	24/9	24/9	24/9	25/-	25/-
Imp. Tob. of G. B. & I.		131/3	131/3	131/9	133/-	133/9
*London Mid. Ry.		£18⅞	£18¾	£18½	£18¼	£17⅞
Metal Box		75/6	75/6	76/-	76/-	76/-
Rand Mines		£6⅞	£6⅞	£6⅞	£6⅞	£6⅞
Rio Tinto		£7	£7½	£7¾	£7¾	£7¾
Rolls Royce		90/-	90/-	90/-	90/-	89/6
Shell Transport		53/9	53/9	55/-	55/-	55/6
United Molasses		30/3	31/6	31/6	31/9	31/6
Vickers		16/9	16/9	17/3	17/3	17/3
West Witwatersrand Areas		£4 13/16	£4 15/16	£4 13/16	£4 15/16	£4⅞

*Per £100 par value. †Ex-dividend.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Jan. 12 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 27, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Dec. 27 (in round-lot transactions) totaled 745,020 shares, which amount was 10.69% of total transactions on the Exchange of 7,794,940 shares. This compares with member trading during the previous week ended Dec. 20 of 850,697 shares, or 11.62% of total trading of 7,512,290 (revised) shares. On the New York Curb Exchange, member trading during the week ended Dec. 27 amounted to 196,450 shares, or 12.09% of the total volume on that Exchange of 1,567,435 shares; during the preceding week trading for the account of Curb members of 191,920 shares was 11.97% of total trading of 1,411,930 shares.

In addition to the revised total for the week ended Dec. 20, the SEC reports that item B-3—other transactions initiated off the floor—should total 174,617 shares, instead of 174,217, as given in these columns of Jan. 8, page 140.

The Commission made available the following data for the week ended Dec. 27:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,058	761
1. Reports showing transactions as specialists	188	93
2. Reports showing other transactions initiated on the floor	196	37
3. Reports showing other transactions initiated off the floor	249	103
4. Reports showing no transactions	540	538

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

Week Ended Dec. 27, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	134,420	
Other sales b	7,660,520	
Total sales	7,794,940	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	516,190	
Short sales	96,160	
Other sales b	352,150	
Total sales	448,310	6.19
2. Other transactions initiated on the floor		
Total purchases	193,930	
Short sales	17,700	
Other sales b	118,230	
Total sales	135,930	2.12
3. Other transactions initiated off the floor		
Total purchases	210,725	
Short sales	9,450	
Other sales b	151,330	
Total sales	160,780	2.38
4. Total		
Total purchases	920,845	
Short sales	123,310	
Other sales b	621,710	
Total sales	745,020	10.69

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

Week Ended Dec. 27, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	7,265	
Other sales b	1,560,170	
Total sales	1,567,435	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	98,365	
Short sales	4.505	
Other sales b	147,875	
Total sales	152,380	8.00
2. Other transactions initiated on the floor		
Total purchases	24,320	
Short sales	0	
Other sales b	10,700	
Total sales	10,700	1.12
3. Other transactions initiated off the floor		
Total purchases	59,915	
Short sales	1,300	
Other sales b	32,070	
Total sales	33,370	2.97
4. Total		
Total purchases	182,600	
Short sales	5,805	
Other sales b	190,645	
Total sales	196,450	12.09
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	113,833	
Total purchases	113,833	
Total sales	37,710	

* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Revenue Freight Car Loadings During Week Ended Jan. 3 Amounted To 674,374 Cars

Loading of revenue freight for the week ended Jan. 3, totaled 674,374 cars, the Association of American Railroads announced on Jan. 8. The increase above the corresponding week in 1941 was 60,203 cars or 9.8%, and above the same week in 1940 was 81,449 cars or 13.7%.

Loading of revenue freight for the week of Jan. 3 increased 67,848 cars or 11.2% above the preceding week.

Miscellaneous freight loading totaled 312,037 cars, an increase of 31,762 cars above the preceding week, and an increase of 37,682 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 122,600 cars, a decrease of 536 cars below the preceding week, and a decrease of 2,501 cars below the corresponding week in 1941.

Coal loading amounted to 138,286 cars, an increase of 25,377 cars above the preceding week, and an increase of 15,159 cars above the corresponding week in 1941.

Grain and grain products loading totaled 31,505 cars, an increase of 2,119 cars above the preceding week, and an increase of 4,699 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Jan. 3 totaled 19,150 cars, an increase of 671 cars above the preceding week, and an increase of 3,104 cars above the corresponding week in 1941.

Live stock loading amounted to 10,943 cars, an increase of 1,245 cars above the preceding week, and an increase of 756 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Jan. 3 totaled 7,843 cars, an increase of 690 cars above the preceding week, and an increase of 800 cars above the corresponding week in 1941.

Forest products loading totaled 32,453 cars, an increase of 5,966 cars above the preceding week, and an increase of 2,634 cars above the corresponding week in 1941.

Ore loading amounted to 13,024 cars, an increase of 1,565 cars above the preceding week and an increase of 401 cars above the corresponding week in 1941.

Coke loading amounted to 13,526 cars, an increase of 350 cars above the preceding week, and an increase of 1,373 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding weeks in 1941 and 1940.

	1942	1941	1940
Week of January 3	674,374	614,171	592,925

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 3, 1942. During this period 104 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED JAN. 3

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Eastern District—	1942	1941	1940	1942	1941
Ann Arbor	524	453	485	1,131	1,148
Bangor & Aroostook	1,867	1,474	1,639	262	170
Boston & Maine	7,606	6,585	6,460	11,626	9,818
Chicago, Indianapolis & Louisville	1,262	1,127	1,190	1,961	2,156
Central Indiana	24	11	18	33	43
Central Vermont	1,227	1,052	1,073	1,797	1,779
Delaware & Hudson	4,667	4,917	4,783	9,692	7,526
Delaware, Lackawanna & Western	7,431	7,460	9,028	7,644	6,617
Detroit & Mackinac	223	232	230	121	72
Detroit, Toledo & Ironton	1,618	2,575	2,331	999	1,276
Detroit & Toledo Shore Line	252	281	244	2,930	3,165
Erie	11,872	11,164	10,961	12,858	11,607
Grand Trunk Western	3,623	4,495	3,999	6,368	7,163
Lehigh & Hudson River	163	127	118	2,421	2,045
Lehigh & New England	1,247	1,224	1,620	1,183	1,082
Lehigh Valley	6,753	7,573	7,776	7,541	6,917
Maine Central	3,061	2,732	2,476	2,909	2,395
Monongahela	5,534	3,899	4,383	485	218
Montour	2,022	1,414	2,007	20	32
New York Central Lines	39,856	37,858	34,884	39,822	37,685
N. Y., N. H. & Hartford	10,756	8,993	8,236	14,001	11,963
New York, Ontario & Western	853	877	938	1,799	1,989
N. Y., Chicago & St. Louis	5,657	5,100	4,531	11,649	9,833
N. Y., Susquehanna & Western	466	352	366	954	1,441
Pittsburgh & Lake Erie	8,364	7,073	5,874	6,644	6.165
Pere Marquette	3,981	4,784	4,841	4,755	5,067
Pittsburgh & Shawmut	568	550	419	35	25
Pittsburgh, Shawmut & North	359	417	409	219	206
Pittsburgh & West Virginia	763	532	970	2,069	2,023
Rutland	477	444	514	1,097	869
Wabash	5,291	4,726	4,772	8,639	8,000
Wheeling & Lake Erie	4,055	3,472	3,169	3,332	3,405
Total	142,422	133,973	130,744	166,996	153,900
Allegheny District—					
Akron, Canton & Youngstown	534	499	346	791	899
Baltimore & Ohio	33,657	29,026	27,124	16,887	15,080
Bessemer & Lake Erie	3,087	2,278	1,702	1,396	1,798
Buffalo Creek & Gauley	386	274	293	3	5
Cambria & Indiana	1,749	1,616	1,577	10	7
Central R.R. of New Jersey	6,465	5,799	5,573	13,236	11,017
Cornwall	508	633	589	55	48
Cumberland & Pennsylvania	266	248	266	16	33
Ligonier Valley	148	194	149	61	38
Long Island	703	658	385	2,419	2,185
Penn-Reading Seashore Lines	1,482	1,172	860	1,739	1,237
Pennsylvania System	69,548	60,701	53,811	43,100	37,461
Reading Co.	13,544	13,470	12,343	19,719	16,769
Union (Pittsburgh)	19,943	19,566	17,916	3,652	2,619
Western Maryland	3,857	3,576	3,176	7,742	7,184
Total	155,877	139,710	126,110	110,826	96,380
Pocahontas District—					
Chesapeake & Ohio	20,799	17,802	20,695	7,751	7,716
Norfolk & Western	19,233	17,979	17,041	4,953	4.983
Virginian	4,159	3,744	4,088	1,766	1,368
Total	44,191	39,525	41,824	14,470	14,067
Southern District—					
Alabama, Tennessee & Northern	306	266	205	196	126
Atl. & W. P.—W. R.R. of Ala.	664	695	660	1,836	1,353
Atlanta, Birmingham & Coast	575	639	437	1,038	971
Atlantic Coast Line	10,432	11,018	8,389	6,137	5,660
Central of Georgia	3,548	3,819	3,342	3,353	3,289
Charleston & Western Carolina	410	418	374	1,417	1,475
Clinchfield	1,681	1,386	1,191	2,427	2,489
Columbus & Greenville	214	241	213	323	249
Durham & Southern	168	146	164	336	429
Florida East Coast	1,239	887	846	973	1,059
Gainsville Midland	47	31	21	84	67
Georgia	1,116	873	714	1,807	1,814
Georgia & Florida	373	327	219	526	529
Gulf, Mobile & Ohio	3,327	3,078	2,797	2,836	2,522
Illinois Central System	24,554	18,871	20,240	12,050	10,030
Louisville & Nashville	21,001	20,041	21,672	6,811	5,847
Macon, Dublin & Savannah	191	123	147	603	741
Mississippi Central	121	109	119	363	388
Nashville, Chattanooga & St. L.	3,041	2,684	2,218	3,131	2,761
Norfolk Southern	784	884	799	919	1,021
Piedmont Northern	480	517	395	1,178	1,133
Richmond Fred. & Potomac	405	302	270	6,310	4,633
Seaboard Air Line	9,144	9,369	8,214	5,899	5,089
Southern System	21,380	20,115	18,082	16,577	14,434
Tennessee Central	554	417	310	646	577
Winston-Salem Southbound	95	147	117	531	647
Total	105,850	97,403	92,155	78,307	69,383
Northwestern District—					
Chicago & North Western	13.415	12,912	12,362	10,596	9,454
Chicago Great Western	2,203	2,153	2,158	2,559	2,623
Chicago, Milw., St. P. & Pac.	17,492	16,431	19.336	7,016	6,592
Chicago, St. P., Minn. & Omaha	1,414	3,292	4,671	1,231	2,649
Duluth, Missabe & Iron Range	947	687	828	319	148
Duluth, South Shore & Atlantic	502	511	462	446	338
Elgin, Joliet & Eastern	9,795	8,754	7,066	8,841	6,748
Ft. Dodge, Des Moines & South	285	339	325	98	130
Great Northern	9,280	8,117	7,983	3,383	2,728
Green Bay & Western	522	470	489	606	600
Lake Superior & Ishpeming	260	240	222	57	56
Minneapolis & St. Louis	1,352 •	1,307	1,273	1,799	1,649
Minn., St. Paul & S. S. M.	4,661	4,228	4.384	2,781	2,388
Northern Pacific	8,137	7,624	7,774	3,748	2,794
Spokane International	67	52	63	217	204
Spokane, Portland & Seattle	1,841	1,330	1,296	1,901	1,342
Total	72,173	68,447	69,692	45,598	40,443
Central Western District—					
Atch. Top. & Santa Fe System	18,427	15,926	15,433	7,096	5,705
Alton	3,045	2,542	2,422	2,670	2,025
Bingham & Garfield	552	466	292	66	93
Chicago, Burlington & Quincy	14,645	13,742	14,024	8,728	7,048
Chicago & Illinois Midland	2,664	2,432	2,583	763	655
Chicago, Rock Island & Pacific	9,902	9,223	8,995	8,628	7,636
Chicago & Eastern Illinois	2,456	2,323	2,487	2,500	2,308
Colorado & Southern	633	662	744	1,517	1,484
Denver & Rio Grande Western	3,475	2,707	3,008	3,260	2,911
Denver & Salt Lake	814	592	910	5	7
Fort Worth & Denver City	1,077	923	751	954	855
Illinois Terminal	1,630	1,455	1,636	1,575	1,347
Missouri-Illinois	1,001	796	841	343	316
Nevada Northern	2,005	1,862	1,784	126	154
North Western Pacific	731	469	319	445	265
Peoria & Pekin Union	27	10	7	0	0
Southern Pacific (Pacific)	21,910	19,061	17,759	7,113	4,806
Toledo, Peoria & Western	152	264	258	107	1,135
Union Pacific System	13,744	12,747	12,009	8,955	7,197
Utah	508	424	486	3	2
Western Pacific	1,711	1,574	1,128	2,684	1,581
Total	101,109	90,200	87,876	57,538	47,530
Southwestern District—					
Burlington-Rock Island	177	97	171	243	196
Gulf Coast Lines	3,866	2,922	2,766	1,784	1,366
International-Great Northern	1,504	1,409	1,403	2,178	2,057
Kansas, Oklahoma & Gulf	325	172	156	1,061	804
Kansas City Southern	2,732	2,073	2,094	2,381	1,753
Louisiana & Arkansas	2,165	1,915	1,531	1,802	1,439
Litchfield & Madison	327	296	278	881	966
Midland Valley	678	435	697	311	160
Missouri & Arkansas	137	107	89	333	359
Missouri-Kansas-Texas Lines	4,410	3,504	3,418	3,143	2,204
Missouri Pacific	14,908	13,215	13,680	10,725	8,551
Quanah Acme & Pacific	119	64	61	181	123
St. Louis-San Francisco	7,859	6,890	6,519	5,449	4,535
St. Louis Southwestern	2,671	2,178	2,053	3,445	2,365
Texas & New Orleans	6,897	5,986	5,937	3,930	2,684
Texas & Pacific	3,829	3,521	3,527	5,091	3,551
Wichita Falls & Southern	100	117	124	26	55
Weatherford M. W. & N. W.	28	12	20	37	309
Total	52,752	44,913	44,524	43,001	33,477

Note—Previous year's figures revised.

Flour Output Gains 310,590 Bbls. In December Over November Levels

Flour production, according to reports received by "The Northwestern Miller" from plants representing 65% of the total national output, in December was increased 310,590 barrels over the previous month and 532,064 barrels over the same month a year previous.

Total production for December was compiled at 5,925,141 barrels, compared with 5,614,551 barrels for the month before and 5,393,077 barrels for the same month a year previous. All the major producing sections registered increases over their November, 1941, figures.

The northwestern increase over the month previous was 46,815 barrels, and the 1,388,860-barrel December total represented a 313,272-barrel increase over the 1940 total for the same month.

Southwestern production, totaling 2,326,165 barrels in December, was 264,569 barrels over that of the month previous and 325,904 barrels over that of the same month a year previous.

Buffalo mills reported 927,963 barrels produced during December, 110,124 barrels more than the previous month and 104,628 barrels more than the same month a year previous.

Below is a detailed table with comparable figures:

TOTAL MONTHLY PLOUR PRODUCTION
(Reported by mills producing 65% of the flour manufactured in the U. S.)

	December 1941	Previous month	December 1940	December 1939	December 1938
Northwest	1,388.860	1,342,045	1,075,588	1,102,544	1,161,889
Southwest	2,326,165	2,061,596	2,000.261	1,954,873	2,083,441
Buffalo	927,963	817,839	823,335	683,904	819,301
Central West—Eastern Division	513,977	590,049	502,099	543,740	514,639
Western Division	247,224	216,049	243,198	281,014	290,441
Southeast	38,953	103,617	125,559	132,457	141,598
Pacific Coast	481,999	483,356	623,047	536,039	461,980
Totals	5,925,141	5,614,551	5,393,077	5,234,571	6,473,289

NAM Head Urges Basic Labor Laws To Guide War Labor Board

Anticipating creation of the new War Labor Board, Walter D. Fuller, retiring President of the National Association of Manufacturers, on Jan. 2 reaffirmed to the entire NAM membership in a year end message the Association's belief that basic labor laws must be enacted to give the Board "positive legislative backing and support."

While describing the recent labor-industry conference at Washington as not entirely futile, Mr. Fuller, who is now Chairman of the NAM Board opposed the still unsettled closed shop issue. He said:

> "The National Association of Manufacturers believes with the industrialist members of the President's conference that the new Board as a cardinal principle 'should not accept for arbitration or consideration the issue of the closed shop, requiring a person to become or remain a member of a labor organization if he is to get or hold a job.' "

The tangible results of the conference, Mr. Fuller wrote member manufacturers, "include, as a first point, another pledge by the labor leaders against strikes for the duration. It may be and it is hoped that with the nation actually at war instead of merely building defense the labor leaders will be able to persuade their constituent unions to abide by the pledges made in their behalf." Mr. Fuller's letter followed by two days his and the incoming NAM President's William P. Witherow, suggestion to Secretary of Labor Perkins that the new Board be composed of four labor members, four representatives of management, and four public members, naming former Chief Justice Charles Evans Hughes as "an outstanding and admittedly impartial" candidate for the Board chairmanship. The letter said:

> "The proposed National War Labor Board has definite possibilities for the maintenance of labor peace. These possibilities can be realized if (1) the members of the Board are truly representative of various interests concerned; and (2) if the Board, given adequate authority to act, adopts immediately after its creation definite and constructive policies and principles which will govern its operation. Nothing would create more uncertainty and confusion than for the Board to refuse to have any known principles or standards."

Reiterating the Association's stand for Congressional action, Mr. Fuller declared that "principles vital to the maintenance of industrial peace should be written into law by Congress at the earliest possible moment, so as to remove any possible doubt about governmental desire to promote fair play and to make winning the war the nation's first job."

The labor-industry conference at Washington and the acceptance by President Roosevelt of the agreement reached was noted in our Dec. 25 issue, page 1641.

Payment On Norwegian 6's

Holders of Kingdom of Norway 20-year 6% external loan sinking fund gold bonds due Aug. 1, 1944, are being notified by W. Morgenstierne, Minister of Norway, that $841,000 principal amount of this issue has been drawn by lot for redemption at par through operation of the sinking fund on Feb. 1, 1942. Payment will be made at the head office of The National City Bank of New York, 55 Wall Street, New York, subject to granting of a license by the Treasury Department under Executive Order 8389 and under any condition which may be contained in that license.

Chilean Funds Ready For Service Of Debt

Advices received from the Autonomous Institute for the Amortization of the Public Debt of the Republic of Chile report that, in accordance with the provisions of Article 6 of the regulation of Law No. 5580 of Jan. 31, 1935, approved by Supreme Decree No. 3837 of Oct. 24, 1938, the total receipts of the institute in 1941 available for debt service amount to $9,485,836. The announcement goes on to state:

> Of this amount $2,472,794 represented the receipt from the Government's participation in the profits of Chilean Nitrate Iodine and Sales Corporation plus an additional amount of $166,572 from the previous year, $6.583,479 represented receipts of taxes on the profits of the copper enterprises plus an additional amount of $82,400 from the previous year, $74,043 the quota of duties on petroleum imported for the nitrate industry, and $106,547 the quota of duties on petroleum imported for the copper industry.
>
> Fifty percent of the total receipts will be applied by the institute under the terms of the Chilean Law to the payment of interest at the rate of $15.58 per $1,000 bond, francs 1.558 per 100 Swiss franc bond, and £1-11-1, 92 per £100 sterling bond. Against the remaining 50% of the income collected there have been retired $3,113,000 face amount of dollar bonds, francs 18,500 of Swiss franc bonds, and £1,300 of sterling bonds. In addition the Municipality of Santiago amortized francs 29,000 of Swiss franc bonds in the year 1941.
>
> The amounts of bonds outstanding after the 1941 retirements will be $167,095,500 dollar bonds, £27,761,171 sterling bonds, and francs 108,680,500 Swiss franc bonds.
>
> The interest disbursement declared is expected to be paid on or about Feb. 1, 1942, and will be applicable to the following bonds:
>
> All the Republic of Chile external bonds.
>
> Water Company of Valparaiso bonds.
>
> All Mortgage Bank of Chile bonds.
>
> Bonds of the Chilean Consolidated Municipal loan.
>
> Bonds of the two City of Santiago, Chile, loans.

Vocational Rehabilitation Plan Being Devised

Officials of the several Federal establishments concerned with war and post-war planning held a conference in Washington on Dec. 22 to consider a program for vocational rehabilitation. Federal Security Administrator Paul V. McNutt arranged the meeting at the suggestion of President Roosevelt. In a letter to Mr. McNutt dated Dec. 14, the President said that "in view of the unhappy casualty prospects of a Nation at war, and deeply sensing our responsibility in the matter of softening its disabling effects upon our defenders and upon our people generally, not only in the field of reparative medicine, but as to refitting those who through disablement become industrially handicapped for employment, I desire that attention be given to the development of a proper program for vocational rehabilitation."

The meeting was concerned with refitting for employment individuals disabled in military action, those injured in defense industry, and civilians injured by war operations. A plan for an approach to this problem will be presented to the President in the near future.

November Hotel Sales Advance

In their monthly report on the trend of business in hotels, Horwath & Horwath, New York public accountants, state that hotel sales in November were higher by 11% than in the corresponding month of last year, which is a little more than the average rise for the year to date. The occupancy was up 5 points and at 69% it is the highest for any November since 1929. The average rise so far this year is 3 points.

The firm's bulletin further states:

> Room rates were up only 4% whereas the last three months had 5% gains; for the miscellaneous group "All Others" the rise was 5% against 7 and 8% last month and the month before. All the groups had higher rates this October than last except Philadelphia, which showed no change despite a 17-point rise in occupancy and an increase of 33% in sales.
>
> New York City hotels showed a moderate increase in sales over a year ago now that the effect of World's Fair business has been eliminated from last year's figures, but rates were up only 1%. For transient hotels the increase was 10% while for residentials it was only 3%. Restaurant sales in the residential hotels rose 9% with a gain of only 1% in room sales. Philadelphia, Washington and Detroit all had big increases. The occupancy of 69% for Philadelphia is the highest in 13 years, though it only equals the average for the nine groups.
>
> The rate improvement continues to be disappointing; for the year to date it averages only 3 cents on the dollar, which of course means that a hotel with an average rate of $3.00 a year ago is now getting $3.09. In the same period, the wholesale index of the U. S. Department of Labor shows an average increase of 32% in a group of 28 basic commodities.

NOVEMBER, 1941, COMPARED WITH NOVEMBER, 1940

	Sales, Increase or Decrease					Occupancy		†Room Rate Increase or Decr
	*Total	Rooms	Total Restaurant	Food	Beverages	Nov., 1941	Nov., 1940	
New York City	+ 7%	+ 6%	+10%	+10%	+ 9%	72%	69%	+ 1%
Chicago	+ 8	+ 8	+ 8	+ 8	+ 9	69	67	+ 5
Philadelphia	+35	+33	+39	+37	+43	69	52	0
Washington	+38	+38	+37	+32	+51	84	68	+10
Cleveland	+ 8	+ 8	+ 9	+ 8	+12	74	71	+ 4
Detroit	+25	+26	+24	+24	+24	74	65	+10
Pacific Coast	+12	+15	+10	+11	+ 8	63	56	+ 4
Texas	+ 5	+ 7	+ 3	+ 3	0	71	68	+ 2
All others	+11	+12	+10	+12	+ 7	67	63	+ 5
Total	+11%	+12%	+11%	+12%	+ 9%	69%	64%	+ 4%
Year to date	+ 9%	+ 8%	+10%	+10%	+10%	68%	65%	+ 3%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

December Pig Iron Production at 101.2%

The Jan. 8 issue of the "Iron Age" reported that, production of coke pig iron in December reached an all-time high, amounting to 5,012,276 net tons, compared with 4,702,927 tons in November. On a daily basis, production in December increased 3% from that in November, or from 156,764 tons to 161,686 tons in December. The operating rate for the industry also increased from 97.7% of capacity to 101.2%.

Production for the 12 months totaled 55,903,720 net tons, exceeding the previous record high of 47,360,320 tons produced in 1929 by over 8,500,000 tons. The gain over last year was 19.7% daily, or from an average daily output of 127,912 tons in 1940 to 153,161 tons in 1941. The operating rate for the year was 96.6% of capacity.

On Jan. 1, 1942, there were 216 furnaces in blast, operating at the rate of 162,140 tons a day, compared with 215 on Dec. 1 making 156,855 tons. National Steel Corp. blew in two furnaces, one at Weirton and one at Detroit, as did the Woodward Iron Co. with its Nos. 2 and 3 units. Among the furnaces blown out were: Duquesne No. 3 of the Carnegie-Illinois Steel Corp.; one Lackawanna of Bethlehem Steel Co., and one Mary, Sharon Steel Co.

MERCHANT IRON MADE. DAILY RATE—NET TONS

	1941	1940	1939	1938	1937
January	20,812	16,475	11,875	11,911	18,039
February	21,254	14,773	10,793	9,916	18,496
March	23 069	11,760	10,025	9,547	18,432
April	20,434	13,656	9,529	9,266	16,259
May	21,235	16,521	7,883	7,203	21,821
June	21,933	13,662	8,527	6,020	17,774
July	21,957	16,619	9,404	6,154	21,962
August	22,578	17,395	11,225	7,408	19,971
September	21,803	17,571	12,648	12,550	22,473
October	23,243	18,694	16,409	12,095	21,224
November	22,690	22,792	16,642	14,793	17,541
December	23,567	19,779	16,912	10,266	12,289

PRODUCTION OF COKE PIG IRON AND FERROMANGANESE—NET TONS

	Pig Iron x		Ferromanganese y	
	1941	1940	1941	1940
January	4,063,695	4,032,022	35,337	43,240
February	4,197 872	3,311,480	33,627	38,720
March	4,704,135	3,270,499	55,460	46,260
April	4,334,267	3,137,019	56,871	43,384
May	4,599,966	3,513,683	58,578	44,973
June	4 553,165	3,818,897	53,854	44,631
Half-year	27,053,100	21,083,600	293,727	261,208
July	4,770,778	4,053,945	57,710	43,341
August	4,791,432	4,238,041	52,735	37,003
September	4.716 901	4,176,527	46,932	33,024
October	4,856,306	4,445,961	55,495	32,270
November	4,702,927	4,403,230	47,669	31,155
December	5,012,276	4,547,602	48,188	35,666
Year	55,903,720	46,948,906	539,163	473,667

x These totals do not include charcoal pig iron. y Included in pig iron figures.

DAILY AVERAGE PRODUCTION OF COKE PIG IRON

	1941		1940		1939
	Net Tons	% Capacity	Net Tons	% Capacity	Net Tons
January	150,441	95.5	130,061	85.8	73,596
February	149,924	95.2	114,189	75.1	82,407
March	151,745	96.9	105,500	68.9	86 516
April	144,475	91.8	104,567	68.6	76,764
May	148,386	93.8	113,345	74.8	62,052
June	151,772	95.9	127,297	83.9	79,089
Half-year	149,465	94.5	115,844	76.1	77,486
July	153,896	97.1	130,772	86.3	85,130
August	154,562	97.5	136,711	90.4	96,096
September	157.230	99.2	139 218	92.2	107.466
October	156,655	98.2	143,419	94.8	131,061
November	156,764	97.7	146,774	97.1	138,877
December	161,686	101.2	146,697	97.2	136,146
Year	153,161	96.6	128,276	84.6	96,769

December Department Store Sales

The Board of Governors of the Federal Reserve System announced on Jan. 8 that the value of department store sales increased less than seasonally in December and the Board's adjusted index declined from 116 to 110% of the 1923-25 average.

INDEX OF DEPARTMENT STORE SALES† 1923-25 AVERAGE=100

	Dec., 1941	Nov., 1941	Oct., 1941	Dec., 1940
Adjusted for seasonal variation	110	116	105	101
Without seasonal adjustment	195	132	112	179

Change from Corresponding Period a Year Ago (%)

Federal Reserve District—	One Week Ending				Four Weeks Ending			
	Jan. 3	*Dec. 27	Dec. 20	Dec. 13	Jan. 3	Dec. 27	Nov. 29	Nov. 1
Boston	+36	+34	+ 6	— 1	+13	+ 9	+15	+ 8
New York	+20	r+37	+ 5	— 3	+ 9	r+ 7	+ 7	+ 3
Philadelphia	+30	+54	+11	— 1	+15	+12	+16	+ 7
Cleveland	+33	+43	+10	+ 5	+17	+14	+18	+13
Richmond	+31	r+49	+13	+ 7	+19	+16	+22	+14
Atlanta	+19	+44	+ 9	+ 2	+16	+14	+18	+14
Chicago	+27	+38	+ 7	+ 3	+14	+11	+12	+11
St. Louis	+29	+42	+12	+10	+19	+16	+18	+21
Minneapolis	**	**	**	**	+14	r+11	+10	+ 8
Kansas City	+23	r+36	+ 5	+ 7	+15	+13	+ 8	+13
Dallas	+24	+40	+ 3	+ 6	+14	+13	+15	+15
San Francisco	+25	+36	+ 1	— 5	+ 9	+11	+17	+19
U. S. total	+27	r+40	+ 7	+ 2	+13	+11	+14	+11

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT, 1935-39=100

1941—		1940—	
Dec. 13	236	Dec. 14	232
Dec. 20	277	Dec. 21	258
*Dec. 27	r174	Dec. 28	124
1942—		1941—	
Jan. 3	107	Jan. 4	85

r Revised. †Monthly indexes refer to daily average sales in calendar month; December, 1941, figures estimated from weekly sales. December this year had one more business day than last year. *The large increases shown for this week reflect in part the fact that this year Christmas fell on Thursday, permitting three days of heavy shopping before the holiday in contrast with two days last year when Christmas was on Wednesday. **Not shown separately but included in United States total.

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Silver, p. oz. d.	Closed	23½d	23½d	23½d	23½d	23½d
Gold, p. fine oz.	168s	168s	168s	168s	168s	168s
Consols, 2½%	Closed	£82¾	£82 11/16	£82¾	£82¾	£82¾
British 3½% W. L.	Closed	£105	£105 1/16	£105⅛	£105 3/16	£105⅛
British 4% 1960-90	Closed	£114¾	£115	£115	£115	£115

The price of silver per oz. (in cents) in the United States on the same day has been:

Bar N. Y. (Foreign)	35⅛	35⅛	35⅛	35⅛	35⅛	35⅛
U. S. Treasury (newly mined)	71.11	71.11	71.11	71.11	71.11	71.11

Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on Jan. 8 that as of the close of business Dec. 31, 1941, there were 1,173 bond issues aggregating $58,236,901,332 par value listed on the New York Stock Exchange with a total market value of $55,033,616,312. This compares with 1,281 bond issues aggregating $57,821,383,127 par value listed on the Exchange on Nov. 29 with a total market value of $54,812,793,945.

In the following tables listed bonds are classified by Governmental and industrial groups with the aggregate market value and average price for each:

Group—	Dec. 31, 1941 Market Value $	Dec. 31, 1941 Average Price $	Nov. 29, 1941 Market Value $	Nov. 29, 1941 Average Price $
U. S. Government (Incl. States, Cities, etc.)	40,567,112,161	106.15	39,607,192,166	108.17
U. S. companies:				
Amusements	44,337,643	97.94	45,406,942	99.19
Automobile	13,820.436	102.77	13,992,814	103.50
Building	16.163.123	85.37	21.033.896	91.60
Business and office equipment	15,187,500	101,25	15,356,250	102.38
Chemical	76,172.375	99.05	76,522,500	99.51
Electrical equipment	36,306,250	103.73	16.125,000	107.50
Financial	58,782,415	99.79	50,213,886	102.67
Food	207,432.788	103.45	211,495,570	105.37
Land and realty	8,648,381	62.97	9.032,768	64.44
Machinery and metals	48,549,255	97.83	49.870.914	99.89
Mining (excluding iron)	85,481,471	53.15	88 959,796	55.11
Paper and publishing	59,145,283	100.48	59 495,196	100.69
Petroleum	601,674.406	102.48	587 938,111	104.45
Railroad	6,053,996,263	59.13	6,378.719,448	61.03
Retail merchandising	11,319,203	73.67	11,871,528	77.26
Rubber	65.929.399	89.53	75,304,488	101.54
Ship building and operating	11,242 560	98.00	23 313,818	101.63
Shipping services	15,858,995	57.06	17.582,062	63.26
Steel, iron and coke	549.631.588	99.84	560 931,700	101.82
Textiles	25,736 800	96.95	26.611.140	100.25
Tobacco	39,866,320	118.40	41,023,259	121.83
Utilities:				
Gas and electric (operating)	3,140,749.634	106.36	3,182.878.376	108.30
Gas and electric (holding)	109,776,250	103.56	116,704,375	105.14
Communications	1,197,405,049	106.71	1,229 382.762	109.56
Miscellaneous utilities	76,351,471	51.68	80 515,755	54.49
U. S. companies oper. abroad	89,132.317	46.61	102,723.415	53.72
Miscellaneous businesses	31,117,500	102.02	32.216,875	105.63
Total U. S. companies	12.689.814 675	75.26	13,125,222,644	77.07
Foreign government	1,087,183.473	48.11	1,304,941,359	45.28
Foreign companies	689,506,003	76.81	775,437,776	59.98
All listed bonds	55,033,616,312	94.50	54,812,793,945	94.80

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1939—	Market Value	Average Price	1940—	Market Value	Average Price
Nov. 30	$47,839,377,778	$91.24	Dec. 31	$50,831,283,315	$93.84
Dec. 30	49,919,813,386	92.33	1941—		
1940—			Jan. 31	50.374.446.095	93.05
Jan. 31	49 678,905.641	92.02	Feb. 28	50 277 456.796	92.72
Feb. 29	49.605.261.998	91.97	Mar. 31	52 252 053.607	93.73
Mar. 30	50 906 387.149	92.86	April 30	52.518 036.554	94.32
April 30	49,611.937,544	92.48	May 30	52.321.710.056	94.22
May 31	46,936 861,020	87.87	June 30	53,237.234 699	94.80
June 29	47,665,777,410	90.14	July 31	53 259.696 637	95.04
July 31	48,601,638,211	90.96	Aug. 30	53 216 867.646	94.86
Aug. 31	49,238,728.732	91.33	Sept. 30	53.418 055.935	94.74
Sept. 30	49,643,200.867	92.08	Oct. 31	55,106,635,894	95.25
Oct. 31	50 438 400 964	92.84	Nov. 29	54,812.793.945	94.80
Nov. 30	50,755,887,399	93.58	Dec. 31	55,033,616,312	94.50

Revised Price Ceilings On Fats And Oils Issued

The Office of Price Administration on Jan. 1 revised the maximum price schedule affecting some 1,800 fats and oils. The revision makes the general level of prices prevailing on Oct. 1 as the basis for the maximum prices instead of Nov. 26, which had been fixed under the temporary schedule issued on Dec. 13. Effect of the change, Price Administrator Leon Henderson explained, is to raise the general level of fats and oils prices by a minimum of 11%. It was further said that the change was made to conform with the intent of Congress requiring that no agricultural commodity ceiling would be fixed below the Oct. 1 market level.

In advices Jan. 1 from its Washington bureau the New York "Journal of Commerce" said:

> Except for butter, "essential" oils, and mineral oils, the revised schedule covers all raw, crude and refined fats and oils and their by-products and derivatives, as well as greases, it was pointed out. Specifically excluded, however, are sales of fats and oils (except olive oil) through wholesale and retail channels; sales directly to the baking, restaurant, hotel and other cooking trades; and sales of lard destined for human consumption without further processing, it was explained.

Special provision is made in the schedule for soy bean oil and linseed oil and for other fats and oils the prices of which were below their normal relations to the price of cottonseed oil on Oct. 1. The Office of Production Management ordered on Dec. 29, in a move designed to conserve supplies and direct the distribution of fats and oils, that inventories of processors and manufacturers be limited to a 90-day operating supply. The conservation order is a "stop-gap" regulation since it expires Jan. 31, when permanent rules are expected to be issued. The order was necessary, it is said, because of the "uncertainty of imports."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 12 a summary for the week ended Jan. 3, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Jan. 3, 1942—	Total for Week
Odd-lot Sales by Dealers:	
(Customers' Purchases)	
Number of orders	36,018
Number of shares	981,529
Dollar value	31,442,648
Odd-lot Purchases by Dealers—	
(Customers' Sales)	
Number of Orders:	
Customers' short sales	488
Customers' other sales*	39,854
Customers' total sales	40,342
Number of Shares:	
Customers' short sales	11,229
Customers' other sales*	1,070,572
Customers' total sales	1,081,801
Dollar value	25,159,839
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	120
Other sales†	389,930
Total sales	390,050
Round-lot Purchases by Dealers—	
Number of shares	212,190

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Preliminary Estimates Of December Coal Output

According to preliminary estimates made by the Bureau of Mines and the Bituminous Coal Division of the United States Department of the Interior, bituminous coal output during the month of December, 1941, amounted to 46,667,000 net tons, compared with 43,770,000 net tons in the preceding month and 41,400,000 net tons in the corresponding month in 1940. Anthracite production during December, 1941, totaled 4,106,000 net tons, as against 4,834,000 net tons in the same month in 1940 and 3,832,000 net tons in November, 1941. The consolidated statement of the two aforementioned organizations follows:

	Total for Month (net tons)	No. of Work. Days	Average per Work. Day	Year to End of December (net tons)
December, 1941 (prelim.)—				
*Bituminous coal	46,667,000	26.0	1,795,000	502,860,000
†Anthracite	4,106,000	---	--------	54,339,000
Beehive coke	651,100	---	--------	6,352,000
November, 1941 (revised)—				
*Bituminous coal	43,770,000	23.6	1,855,000	--------
†Anthracite	3,832,000	---	--------	--------
Beehive coke	531,800	---	--------	--------
December, 1940 (revised)—				
*Bituminous coal	41,400,000	25.0	1,656,000	453,245,000
†Anthracite	4,834,000	---	--------	51,485,000
Beehive coke	490,100	---	--------	3,057,800

*Includes for purpose of historical comparison and statistical convenience the production of lignite.

†Total production, including colliery fuel, washery and dredge coal, and coal shipped by truck from authorized operations.

NOTE—All current estimates will later be adjusted to agree with the results of the complete canvass of production made at the end of the calendar year.

Labor Bureau's Wholesale Price Index At Highest Level Since October, 1929

The Bureau of Labor Statistics' comprehensive index of wholesale prices of nearly 900 series rose 0.5% during the week ended Jan. 3 to 94.3% of the 1926 average, the highest level since October 1929, it was announced on Jan. 8. In the past month the index has risen 2.3% and is 17.6% above a year ago. In its advices the Bureau added:

> The upward movement was quite general as the indexes for 8 of the 10 commodity groups averaged higher than a week ago. Chemicals and allied products rose 3.7%; farm products, 1.5%; foods, 0.8%; building materials and housefurnishing goods, 0.2%; and hides and leather products, textile products and miscellaneous commodities, 0.1%.
>
> Action by the Government to establish price ceilings on farm products at 110% of parity stimulated the markets causing quotations to rise sharply during the week. The advance of 1.5% placed the group index at 96.9% of the 1926 average, the highest point in nearly 12 years. All grains, except rye, advanced ranging from about 2% for wheat to over 3% for corn and oats. Prices for livestock, particularly calves, cows, hogs and sheep, and for live poultry at Chicago were higher. Steers declined slightly. Higher prices were also reported for cotton, peanuts, flaxseed, onions and potatoes. Prices for citrus fruits and dried beans declined. Average prices for foods in wholesale markets continued to rise as revised ceilings were established by the Office of Price Administration at higher levels for coffee and cocoa. Sharp increases for most meats, for dairy products, fruits and vegetables, flour, pepper and tea also contributed to the advance. Average wholesale prices for foods are up more than 25% over a year ago. Cattle feed prices continued to rise.
>
> Price ceilings on alcohol as of Jan. 1 geared to molasses prices on a sliding scale basis doubled the prevailing market quotations on some grades. In the meantime curtailment orders were issued by the Director of Priorities on both alcohol and molasses for civilian consumption. In addition sharp increases were reported in prices for calcium arsenate, synthetic camphor and acetone and the chemical and allied products group index rose 3.7% to a 14-year peak.
>
> Quotations were higher for cotton and worsted yarns and for denim and shirting.
>
> Advancing prices for paint materials, including barytes, butyl and ethyl acetate, lithopone, rosin and zinc oxide were largely responsible for the increase in the building materials group index. Lumber, particularly yellow pine, declined slightly.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Dec. 6, 1941 and Jan. 4, 1941 and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from Dec. 27, 1941 to Jan. 3, 1942.

(1926 = 100)

Commodity Groups—	1-3 1942	12-27 1941	12-20 1941	12-6 1941	1-4 1941	Percentage changes to January 3, 1942, from 12-27 1941	12-6 1941	1-4 1941
All Commodities	**94.3**	**93.8**	**94.0**	**92.2**	**80.2**	**+0.5**	**+2.3**	**+17.6**
Farm products	96.9	95.5	96.0	90.8	71.2	+1.5	+6.7	+36.1
Foods	91.9	91.2	91.6	88.7	73.2	+0.8	+3.6	+25.5
Hides and leather products	115.7	115.6	115.5	115.4	102.5	+0.1	+0.3	+12.9
Textile products	91.6	91.5	91.4	90.7	74.3	+0.1	+1.0	+23.3
Fuel and lighting materials	79.0	79.0	79.0	79.2	72.6	0	—0.3	+ 8.8
Metals and metal products	103.4	103.4	103.4	103.3	97.8	0	+0.1	+ 5.7
Building materials	108.3	108.1	107.5	107.4	99.4	+0.2	+0.8	+ 9.0
Chemicals and allied products	95.1	91.7	91.7	89.7	78.0	+3.7	+6.0	+21.9
Housefurinshing goods	102.5	102.3	102.3	101.9	90.2	+0.2	+0.6	+13.6
Miscellaneous commodities	87.5	87.4	87.5	87.2	77.1	+0.1	+0.3	+13.5
Raw materials	93.4	92.5	93.3	90.0	74.2	+1.0	+3.8	+25.9
Semimanufactured articles	90.3	90.2	90.0	89.7	80.7	+0.1	+0.7	+11.9
Manufactured products	95.5	95.2	95.1	93.9	83.2	+0.3	+1.7	+14.8
All commodities other than farm products	93.7	93,4	93,5	92,6	82,1	+0.3	+1.2	+14.1
All commodities other than farm products and foods	94.1	93.9	93.9	93.7	84.4	+0.2	+0.4	+11.5

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DEC. 27, 1941, TO JAN. 3, 1942

Increases

Chemicals	6.2	Other farm products	0.5
Livestock and poultry	2.7	Plumbing and heating	0.5
Drugs and pharmaceuticals	2.5	Furnishings	0.4
Grains	2.2	Woolen and worsted goods	0.3
Mixed fertilizers	2.0	Dairy products	0.2
Meats	1.8	Other foods	0.2
Paint and paint materials	1.3	Shoes	0.2
Cattle feed	1.1	Cotton goods	0.2
Fruits and vegetables	0.9	Cereal products	0.1
Furniture	0.1		

Decreases

Lumber	0.1

Most World Prices Unchanged

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Jan. 12 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	157	138	127	123	156	196	138
September	r140	122	145	r157	138	r130	r123	156	203	143
October	140	123	143	r158	139	132	126	156	207	r140
November	r142	124	143	158	141	133	124	157	209	141
December	141	122	143	160	---	138	123	157	---	145
1941—										
Weeks end.:										
Dec. 6	141	122	143	r159	*141	137	124	157	209	142
Dec. 13	r142	122	143	*159	---	139	123	157	*209	144
Dec. 20	r148	122	r144	*160	---	r139	123	157	---	147
Dec. 27	r142	123	144	*160	---	139	123	157	---	147
1942—										
Jan. 3	142	123	144	*160	---	140	123	157	---	148

* Preliminary. r Revised

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity* *Current*	*Cumulative*
1940—Month of—					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640.188	649,021	554,417	98	--
December	743,637	760,775	530,459	93	--
1941—Week Ended—					
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163.226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,459	86	88

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Fertilizer Assn. Index Continues Uptrend

The general level of wholesale commodity prices continued to move upward last week, according to the price index compiled by The National Fertilizer Association and issued Jan. 12. This index in the week ended Jan. 10, 1942 rose substantially, registering 121.5% of the 1935-1939 average. In the preceding week the all-commodity index stood at 120.0. It was 117.2 a month ago, and 100.9 a year ago.

The sharpest rise during the week occurred in the textile price index, the result of advancing quotations for raw cotton, cotton goods, and cotton yarns. A marked increase was registered by the food price average; 18 items included in the group advanced while only 2 declined. Higher prices for cotton, grains, livestock, eggs, and poultry were responsible for a substantial rise in the farm product price index. The fertilizer material index again moved upward due to price increases in organic nitrogenous materials. The index representing the prices of miscellaneous commodities rose slightly, due to another upturn in cattle feed quotations. An increase in the price of lime caused a fractional advance in the building material index. The index of industrial commodities was at a new high point.

During the week only 3 price series included in the index declined while 45 advanced; in the preceding week there were 29 advances and 12 declines; in the second preceding week there were 27 advances and 11 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[1935-1939 = 100]

% Each Group Bears to the Total Index	GROUP	Latest Week Jan. 10, 1942	Preceeding Week Jan. 3, 1942	Month Ago Dec. 6, 1941	Year Ago Jan. 11, 1941
25.3	Foods	118.7	116.3	113.1	92.4
	Fats and Oils	129.5	122.8	124.4	72.7
	Cottonseed Oil	156.4	144.5	149.3	74.3
23.0	Farm Products	129.1	126.2	119.2	95.4
	Cotton	174.0	168.8	163.4	96.7
	Grains	119.1	116.2	109.2	87.3
	Livestock	122.5	120.0	112.5	96.3
17.3	Fuels	113.0	113.0	113.3	101.5
10.8	Miscellaneous Commodities	126.9	126.6	126.2	110.7
8.2	Textiles	147.7	142.7	140.7	112.7
7.1	Metals	104.0	104.0	104.0	103.3
6.1	Building Materials	131.7	131.5	131.2	118.0
1.3	Chemicals and Drugs	120.1	120.1	112.0	103.9
.3	Fertilizer Materials	117.0	116.4	114.8	105.9
.3	Fertilizers	112.7	112.7r	109.8	103.3
.3	Farm Machinery	103.4	103.4	100.7	99.6
100.0	All Groups Combined	121.5	120.0	117.2	100.9

r Revised.

Indexes on 1926-1928 base were Jan. 10, 1942, 94.6; Jan. 3, 1942, 93.5; Jan. 11, 1941, 78.6.

Lumber Manufacturing Statistics During Five Weeks Ended January 3, 1942

We give herewith data on identical mills for five weeks ended Jan. 3, 1942, as reported by the National Lumber Manufacturers Association on Jan. 12:

An average of 460 mills report as follows to the National Lumber Trade Barometer for the five weeks ended Jan. 3, 1942:

	Production		Shipments		Orders Rec'd	
(In 1,000 feet)	1941	1940	1941	1940	1941	1940
Softwoods	908,507	956,320	931,251	1,145,067	1,199,869	1,048,674
Hardwoods	53,197	49,464	51,367	55,414	48,835	50,075
Total lumber	961,704	1,005,784	982,618	1,200,481	1,248,704	1,098,749

Production during the five weeks ended Jan. 3, 1942, as reported by these mills, was 4% below that of corresponding weeks a year ago. Softwood production in 1941 was 5% below that of the same weeks of 1940 and 1% above the records of comparable mills during the same period of 1939. Hardwood output was 8% above production of the 1940 period.

Shipments during the five weeks ended Jan. 3, 1942, were 18% below those of corresponding weeks of 1940, softwoods showing a loss of 19% and hardwoods a loss of 7%.

Orders received during the five weeks ended Jan. 3, 1941 were 14% above those of corresponding weeks of 1940. Softwood orders in 1941 were 14% above those of similar period of 1940 and 30% above the same weeks of 1939. Hardwood orders showed a loss of 2% as compared with corresponding weeks of 1940.

On Jan. 3, 1942, gross stocks as reported by 366 softwoods mills were 2,747,804,000 feet, the equivalent of 82 days' average production (three-year average 1938-39-40) as compared with 2,955,542,000 feet on Jan. 4, 1941, the equivalent of 87 days' average production.

On Jan. 3, 1942, unfilled orders as reported by 362 softwood mills were 1,114,244,000 feet, the equivalent of 34 days' average production compared with 929,755,000 feet, on Jan. 4, 1941, the equivalent of 28 days' average production.

Steel Shipments In 1941 Highest On Record

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of December, 1941, totaled 1,846,036 net tons.

The December shipments compare with 1,624,186 net tons in the preceding month, an increase of 221,850 net tons, and with 1,544,623 net tons in December, 1940, an increase of 301,413 net tons.

For the year 1941, shipments aggregated 20,458,937 net tons compared with 15,013,749 net tons (year end total after adjustments) in the comparable period of 1940, an increase of 5,445,188 net tons.

Shipments for December 1941 were an all-time high for that month. Previous high December was December, 1940 when 1,544,623 net tons were shipped. Shipments for the year 1941 were the highest of any year in the history of the U. S. Steel Corporation, previous high year being 1916 when 17,105,397 net tons were shipped.

In the table below we list the figures by months for various periods since January, 1929:

	1941	1940	1939	1938	1932	1929
January	1,682,454	1,145,592	870,866	570,264	464,524	1,364,801
February	1,548,451	1,009,256	747,427	522,395	449,418	1,388,407
March	1,720,366	931,905	845,108	627,047	422,117	1,605,510
April	1,687,674	907,904	771,752	550,551	429,965	1,617,302
May	1,745,295	1,084,057	795,689	509,811	369,882	1,701,874
June	1,668,637	1,209,684	607,562	524,994	355,575	1,529,241
July	1,666,667	1,296,887	745,364	484,611	294,764	1,480,008
August	1,753,665	1,455,604	885,636	615,521	316,417	1,500,281
September	1,664,227	1,392,838	1,086,683	635,645	340,610	1,262,874
October	1,851,279	1,572,408	1,345,855	730,312	336,726	1,333,385
November	1,624,186	1,425,352	1,406,205	749,328	299,076	1,110,050
December	1,846,036	1,544,623	1,443,969	765,868	250,008	931,744
Total by mos.	20,458,937	14,976,110	11,752,116	7,286,347	4,329,082	16,825.477
Yearly adjust.	------	37,639	*44,865	29,159	*5,237	*12,827
Total	------	15,013,749	11,707,251	7,315,506	4,323,845	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1941, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Non-Farm Foreclosures Are Down In November

The Federal Home Loan Bank Board announces that after an adverse rise which occurred during October, foreclosure activity in non-farm areas of the United States declined in November, thus continuing the downward trend which has been evident over a period of nearly 8 years. The index of foreclosures, which has been adjusted for seasonal variation, moved to a new low of 31.9—the equivalent of a drop of nearly 70% from the average month of the 1935-1939 period. The Board's report goes on to explain:

> In number of cases, foreclosures for the United States totaled 4,204 during November, a decline of 204 cases or nearly 5% from the previous month. This drop compares favorably with the 2% increase usually expected in November. In analyzing still further by districts, all but four showed reductions in foreclosure volume ranging from 26% in the Indianapolis District to 6% in the Topeka area. During the past year curtailment in foreclosure rates have been general throughout the country. Every Federal Home Loan Bank District and each population size group contributed toward lowering the national average foreclosure rate by 28% from November 1940; only 6 isolated states moved contrary to this impressive downward trend.
>
> Foreclosure cases for the first eleven months of this year were 22% below those for the same period of 1940 and totaled 54,044 cases. Over half of these foreclosures took place in communities of 60,000 or more dwellings. When adjustment has been made for the size of the respective communities this group of larger counties and cities had, during the eleven month interval, foreclosures at the rate of 4.8 for each 1,000 existing dwellings; while the next smaller city groups at the same time registered rates of 3.4, 2.0 and on down to 1.5 for communities of under 5,000 dwellings.

STOCK OF MONEY IN THE COUNTRY

The Treasury Department in Washington has issued the customary monthly statement showing the stock of money in the country and the amount in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Nov. 30, 1941, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $10,639,588,759, as against $10,363,848,903 on Oct. 31, 1941, and $8,522,105,461 on Nov. 30, 1940, and comparing with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the World War, that is, on June 30, 1914, the total was only $3,459,434,174. The following is the full statement:

CIRCULATION STATEMENT OF UNITED STATES MONEY—NOVEMBER 30, 1941

		MONEY HELD IN THE TREASURY					MONEY OUTSIDE OF THE TREASURY				
KIND OF MONEY	TOTAL AMOUNT	Total	Amount held as secur. against Gold and Silver Ctfs. (and Treas. Notes of 1890)	Reserve against U. S. Notes (and Treasury Notes of 1890)	Held for Federal Reserve Banks and Agents	All Other Money	Total	Held by Federal Res. Banks and Agents	g In Circulation Amount	g In Circulation Per Capita	POPULATION OF CONTINENTAL U. S. (ESTIM.)
Gold	a$22,785,312,484	$22,785,312,484	$20,629,846,421	$156,039,431	----------	d$1,999,426,632	----------	----------	----------	----	----------
Gold certificates	b(20,629,846,421)	b(17,753,067,352)	----------	----------	bc($17,753,067,352)	----------	$2,876,779,069	$2,815,444,500	$61,334,569	$0.46	----------
Standard silver dollars	547,077,816	485,402,465	478,060,016	----------	----------	7,342,449	61,675,351	3,003,793	58,671,558	.44	----------
Silver bullion	1,470,288,153	1,470,288,153	1,470,288,153	----------	----------	----------	----------	----------	----------	----	----------
Silver certificates	b(1,947,189,147)	----------	----------	----------	----------	----------	1,947,189,147	210,381,584	1,736,807,563	12.99	----------
Treasury notes of 1890	b(1,159,022)	----------	----------	----------	----------	----------	1,159,022	----------	1,159,022	.01	----------
Subsidiary silver	488,617,429	2,922,158	----------	----------	----------	2,922,158	485,695,271	12,150,416	473,544,855	3.54	----------
Minor coin	212,028,899	1,194,889	----------	----------	----------	1,194,889	210,834,010	3,184,520	207,649,490	1.55	----------
United States notes	346,681,016	2,348,232	----------	----------	----------	2,348,232	344,332,784	23,693,854	320,638,930	2.40	----------
Federal Reserve notes	8,016,621,975	18,121,435	----------	----------	----------	18,121,435	7,998,500,540	383,733,460	7,614,767,080	56.94	----------
Federal Reserve bank notes	19,829,589	97,059	----------	----------	----------	97,059	19,732,530	132,200	19,600,330	.14	----------
National bank notes	146,497,150	293,438	----------	----------	----------	293,438	146,203,712	788,350	145,415,362	1.09	----------
Total Nov. 30, 1941	$34,032,954,511	$24,765,980,313	$22,578,194,590	$156,039,431	b($17,753,067,352)	e$2,031,746,292	f$14,092,101,436	$3,452,512,677	$10,639,588,759	$79.56	133,738,000
Comparative totals:											
Oct. 31, 1941	$33,796,718,193	$24,780,803,295	$22,573,806,014	$156,039,431	$17,756,141,314	$2,050,957,850	$13,833,579.598	$3,469,730,695	$10,363,848,903	$77.55	133.633,000
Nov. 30, 1940	30,893,093,053	23,704,779,585	21,518,094,348	156,039,431	16,770,850.084	2,030,645,806	11,935,557.732	3,413,452,271	8,522,105,461	*64.32	*132,502,000
Oct. 31, 1920	8.479,620,824	2.436,864,530	718,674,378	152,979.026	1,212,360,791	352,850,336	6,761,430.672	1,063.216,060	5.698.214.612	53.21	107.096,000
March 31, 1917	5,396,596,677	2,952.020,313	2,681,691,072	152,979,026	----------	117,350,216	5,126,267.436	953,321,522	4,172,945,914	40.23	103.716,000
June 30, 1914	3,797.825,099	1,845,569.804	1,507,178,879	150.000,000	----------	188,390,925	3,459,434,174	----------	3,459.434.174	34.93	99.027,000
Jan. 1, 1879	1,007,084,483	212.420,402	21,602,640	100,000,000	----------	90,817,762	816,266,721	----------	816,266.721	16.92	48,231,000

*Revised figures.

a Does not include gold other than held by the Treasury.

b These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

c This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the Gold Certificate Fund-Board of Governors, Federal Reserve System, in the amount of $17,737,572,728 and (2) the redemption fund for Federal Reserve notes in the amount of $15,494,624.

d Includes $1,800,000,000 Exchange Stabilization Fund and $143,298,497 balance of increment resulting from reduction in weight of the gold dollar.

e Includes $59,300,000 lawful money deposited as a reserve for Postal Savings deposits.

f The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

g The money in circulation includes any paper currency held outside the continental limits of the United States.

NOTE—There is maintained in the Treasury—(i) as a reserve for United States notes and Treasury notes of 1890—$156,039,431 in gold bullion; (ii) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (iii) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (iv) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until June 30, 1943, of direct obligations of the United States if so authorized by a majority vote of the Board of Governors of the Federal Reserve System. Federal Reserve banks must maintain a reserve in gold certificates of at least 40%, including the redemption fund which must be deposited with Treasurer of the United States, against Federal Reserve notes in actual circulation. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve Bank notes and National bank notes are in process of retirement.

Steel And Iron Production Set New Records—Search For Needed War Materials Extended

Industry's search for materials needed for the nation's Victory program—185,000 planes, 120,000 tanks—is being extended to every possible source of supply, states "The Iron Age" in its issue today (Jan. 15), adding: "Translated into the materials needed the program is indeed 'gigantic.' For example, the greatly enlarged tank and airplane program calls for sharp increases in requirements for cast and rolled armor, together with alloy ingot output. A 1942 tank production of 45,000 units, with all other combat vehicles, can only be carried out by an increase in monthly production of cast armor from 28,000 to 59,000 tons, or 708,000 tons for the year.

"In rolled armor the nation's output will have to be increased to 77,000 tons monthly, or 914,000 tons for a year. Sixty thousand planes which the President said must be built in 1942 will require 809,000 tons of alloy ingots of which 213,000 tons will be for frames and 486,000 tons for engines.

"Steel expansion projects recommended by the Office of Production Management, and awaiting action by the Defense Plant Corp. call for 360,000 tons of additional open-hearth capacity at Bethlehem Steel Co.'s Pacific Coast plants, a 1,000-ton blast furnace at the Dearborn, Mich. plant of Ford Motor Co. and an increase of 300,000 tons in ingot mold capacity at the Cleveland plant of Valley Mold & Iron corp.

"Behind the statistics of the war program, industrial observers everywhere are meeting the same bitter conclusion—that civilian sacrifices through diversion of materials to war use in the United States have only begun. Buyers of peacetime products, like passenger automobiles, need not wait long to see where the materials which might have gone to them are being sent. For example, an order for 340,000 cargo truck bodies, to be completed within a year, has been awarded the E. G. Budd Co. by the Army.

"Small declines in steel ingot production rates in the country's two largest producing areas, Chicago and Pittsburgh, were the chief cause of a drop of a half point in the national rate to 96% of capacity The Pittsburgh rate dropped one point to 97%, while Chicago eased a half point to 101%. Cleveland also showed a loss, declining a point to 96%, while a severe shortage of scrap in Southern Ohio forced a drop there of 15 points to 93%.

"Repairs, as well as the lack of scrap, was a factor in the week's output decline. However, changes in operations due to repairs in the various districts largely counterbalance, while the net loss in the rate last week may be attributed to lack of adequate supplies of raw materials. With steel so urgently needed for the war program, a fractional point loss or gain in ingot output is highly important. Gains reported in the last week include Philadelphia, 1½ points to 91½; St. Louis 2 to 92; Wheeling 2 to 88; and the eastern district 4½ points to 104%. Unchanged rates this week were 95% at Youngstown. 90 at Buffalo, 95½ at Birmingham, 94 at Detroit and 97 in the West.

"Scrap collections slumped in almost all principal consuming centers due to cold weather of the past week. Lack of automotive scrap affected steel production at Youngstown and Cleveland where additional openhearths were taken off. At Sharon and Buffalo steel production units previously suspended still are idle. With the iron and steel scrap supply situation now at a critical stage, the latest scrap controversy centers around claims that automobile wrecking yards are not producing the fullest possible volume of scrap.

"Expectations that demand for structural steel shapes and concrete reinforcing bars would relax by the middle of January have not been realized. Instead, additional factories, air bases and the many buildings necessary under the Victory program are in the blue print stage and soon will require substantial tonnages of steel. In the past week concrete bar awards amounted to 55,000 tons, most of which is to be used for purposes about which information has been restricted by government agencies. Last week's awards totaled approximately 62,000 tons. New reinforcing steel projects total 30,000 tons against 50,000 tons a week ago. Structural steel awards total 48,000 tons against 16,200 tons last week, while new projects call for 10,000 tons."

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Jan. 13, 1942, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High			Low		
1941	2.30467c.	Sep	2	2.30467c.	Sep	2
1940	2.30467c.	Jan	2	2.24107c.	Apr	16
1939	2.35367c.	Jan	3	2.26689c.	May	16
1938	2.58414c.	Jan	4	2.27207c.	Oct	18
1937	2.58414c.	Mar	9	2.32263c.	Jan	4
1936	2.32263c.	Dec	28	2.05200c.	Mar	10
1935	2.07642c.	Oct	1	2.06492c.	Jan	8
1934	2.15367c.	Apr	24	1.95757c.	Jan	2
1933	1.95578c.	Oct	3	1.75836c.	May	2
1932	1.89196c.	Jly	5	1.83901c.	Mar	1
1931	1.99629c.	Jan	13	1.86586c.	Dec	29
1930	2.25488c.	Jan	7	1.97319c.	Dec	9
1929	2.31773c.	May	28	2.26498c.	Oct	29

Pig Iron

Jan. 13, 1942, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	23.45

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati

	High			Low		
1941	$23.61	Mar	20	$23.45	Jan	2
1940	23.45	Dec	23	22.61	Jan	2
1939	$22.61	Sep	19	$20.61	Sep	1
1938	23.25	Jun	21	19.61	Jly	
1937	23.25	Mar	9	20.25	Feb	16
1936	19.74	Nov	24	18.73	Aug	1
1935	18.84	Nov	5	17.83	May	14
1934	17.90	May	1	16.90	Jan	2
1933	16.90	Dec	5	13.56	Jan	
1932	14.81	Jan	5	13.56	Dec	
1931	15.90	Jan	6	14.79	Dec	1
1930	18.21	Jan	7	15.90	Dec	16
1929	18.71	May	14	18.21	Dec	1

Steel Scrap

Jan. 13, 1942, $19.17 a Gross Ton

One week ago	$19.1
One month ago	19.1
One year ago	20.66

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High			Low		
1941	$22.00	Jan	7	$19.17	Apr	10
1940	21.83	Dec	30	16.04	Apr	
1939	22.50	Oct	3	14.08	May	16
1938	15.00	Nov	22	11.00	Jun	
1937	21.92	Mar	30	12.92	Nov	10
1936	17.75	Dec	21	12.67	Jun	
1935	13.42	Dec	10	10.33	Apr	29
1934	13.00	Mar	13	9.50	Sep	25
1933	12.25	Aug	8	6.75	Jan	3
1932	8.50	Jan	12	6.43	Jly	5
1931	11.33	Jan	6	8.50	Dec	29
1930	15.00	Feb	18	11.25	Dec	9
1929	17.58	Jan	29	14.08	Dec	

The American Iron and Steel Institute on Jan. 12 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 97.8% of capacity for the week beginning Jan. 12, compared with 96.4% one week ago, 97.9% one month ago and 95.1% one year ago. This represents an increase of 1.4 points or 1.5% from the preceding week. The operating rate for the week beginning Jan. 12, according to the Institute is equivalent to 1,615,800 tons of steel ingots and castings, compared to 1,592,700 tons one week ago, 1,617,500 tons one month ago, and 1,547,700 tons one year ago. Weekly indicated rates of steel operations since Jan. 6, 1941, follow:

1941—		Apr 14	98.3%	Jly 28	97.6%	Nov 10	96.6%
Jan 6	97.2%	Apr 21	96.0%	Aug 4	96.3%	Nov 17	97.0%
Jan 13	96.5%	Apr 28	94.3%	Aug 11	95.6%	Nov 24	95.9%
Jan 20	96.5%	May 5	96.8%	Aug 18	96.2%	Dec 1	97.6%
Jan 27	97.1%	May 12	99.2%	Aug 25	96.5%	Dec 8	97.5%
Feb 3	96.9%	May 19	99.9%	Sep 2	96.3%	Dec 15	97.9%
Feb 10	97.1%	May 26	98.6%	Sep 8	96.9%	Dec 22	93.4%
Feb 17	94.6%	Jun 2	99.2%	Sep 15	96.1%	Dec 29	96.1%
Mar 3	97.5%	Jun 9	98.6%	Sep 22	96.8%		
Feb 24	96.3%	Jun 16	99.0%	Sep 29	96.9%	1942—	
Mar 10	98.8%	Jun 23	99.9%	Oct 6	98.1%	Jan 2	96.4%
Mar 17	99.4%	Jun 30	91.8%	Oct 13	98.4%	Jan 9	97.8%
Mar 24	99.8%	Jly 7	94.9%	Oct 20	97.8%		
Mar 31	99.2%	Jly 14	95.2%	Oct 27	99.9%		
Apr 7	99.3%	Jly 21	96.0%	Nov 3	98.2%		

"Steel" of Cleveland, in its summary of the iron and steel markets, on Jan. 12 stated:

Under the spur of a vastly enlarged war program, as outlined by the President last week, the steel industry is preparing in every possible way to meet the demand incident to such an undertaking.

Steel ingot and pig iron production figures for December and the entire year have set new records, an earnest of the industry's all-out effort to meet whatever demands are made on its capacity.

For the present, until the situation becomes clearer and actual war demands are understood, civilian users have little chance of obtaining steel. It is believed that capacity is sufficient to meet armament needs and also provide considerable tonnage for non-war use. This belief rests on the assumption that facilities for fabricating steel into ships, combat tanks and munitions are not sufficient to take the entire output indefinitely. During the period of changing over and adjusting to the new condition mills are unable to fill much demand outside the highest priorities.

Inability to obtain sufficient raw material, principally scrap, for peak steel production is cutting into the total possible otherwise, but this cut falls first on civilian supplies and will not affect war needs until it has progressed much further than is expected. Survey of the entire situation indicates that even under this handicap sufficient steel will be available to meet all war requirements.

Steelmaking declined 1 point last week, to 96½%, the dip being almost entirely due to lack of scrap, open hearths in practically all districts being idle from that cause. Chicago increased its rate ½ point to 102% and Cleveland had a net gain of 1 point to 95% Pittsburgh dropped 1 point to 95%, Detroit 8 points to 82, Buffalo 2 points to 79½, New England 8 points to 92, Wheeling 1 point to 90 and Youngstown 2 points to 90. Unchanged rates prevailed at Eastern Pennsylvania, 89; Cincinnati, 91½; Birmingham, 90; St. Louis, 76.

Iron and Steel Branch, OPM, has announced a plan to produce as much plate as possible on continuous strip and sheet mills, to release output of plate mills for urgent war production. Consumers are asked to change design of their products to utilize fully the continuous mill product. Mills producing universal and sheared plates will be used as far as possible in serving ship, combat tank and other direct war uses.

Lack of scrap is the greatest deterrent to enlarged production of steel, practically every producer having open-hearth capacity idle. Operation of active furnaces is hand-to-mouth with possibility of curtailment ever present. No steelmaker has reserves sufficient for more than a few days' production and receipts of scrap are meager. Recent revision of the ceiling schedule has helped somewhat in bringing out better supply of steelmaking grades, but the improvement is slight. On the other hand, the new schedule for cast grades has lowered prices and supply is no better, in some cases worse.

A total of 82,927,557 net tons of open-hearth, bessemer and electric furnace steel castings was produced in 1941, nearly 25% more than the previous peak output, 66,981,662 tons, in 1940. The industry operated at an average rate of 97.4% for the year, compared with 82.1% in 1940. December production was 7,163,999 tons, slightly more than 6,969,987 tons made in November but a little below the all-time high of 7,242,683 tons made in October, 1941.

Pig iron production in December broke all previous records for daily rate and monthly total and carried the total for the year to a new high of 55,918,086 net tons, 19.24% over 46,894,675 tons in 1940 and 58.36% over the 1939 output. December total was 5,014 995 tons, 6.97% greater than 4,707,194 tons made in November. The daily production rate was 161,774 tons, exceeding the previous all-time record of 157,378 tons in September, 1940. Three more stacks were in production than in November, the total being 218. The rate of operation, production related to estimated capacity, was 104.06%.

Automobile assembly last week totaled 58,990 units, compared with 18,530 the preceding week. In the corresponding week in 1941 production was 115,935 cars. Increase of the January quota to 208,000 has allowed builders to make use of more of their stocks of parts.

Composite prices come over into the new year unchanged from the latter part of 1940. Finished steel composite is $56.73, semifinished steel $36, steelworks pig iron $23.05 and steelworks scrap $19.17. Recent revisions of the scrap ceiling schedule had no effect on the latter.

President Roosevelt Sets Up War Labor Board—W. H. Davis Will Head Twelve-Man Group

President Roosevelt on Jan. 12 created by executive order a National War Labor Board to be composed of twelve members and to be headed by William H. Davis, Chairman of the National Defense Mediation Board. In his order the President declared that "the national interest demands that there shall be no interruption of any work which contributes to the effective prosecution of the war."

The Board, made up of four representatives of the public, of employees and of employers, was created as a result of the agreement reached at a conference of management and labor on Dec. 23. This agreement provided the following three points, that (1) there shall be no strikes or lockouts, (2) all disputes shall be settled by peaceful means, and (3) a War Labor Board be established for the peaceful adjustment of such disputes (referred to in these columns of Dec. 25, page 1641).

The procedure for adjusting and settling labor disputes threatening to interrupt war work was provided as follows in the President's order:

(a) The parties shall first resort to direct negotiations or to the procedures provided in a collective bargaining agreement.

(b) If not settled in this manner the commissioners of conciliation of the Department of Labor shall be notified if they have not already intervened in the dispute.

(c) If not promptly settled by conciliation, the Secretary of Labor shall certify the dispute to the board, provided, however, that the board in its discretion after consultation with the Secretary may take jurisdiction of the dispute on its own motion. After it takes jurisdiction, the board shall finally determine the dispute and for this purpose may use mediation, voluntary arbitration or arbitration under rules established by the board.

With the creation of the War Labor Board, the President abolished the National Defense Mediation Board, which had been set up on March 19, 1941, and provided for the transfer of all its employees, records, property and unexpended funds to the new board.

In addition to Mr. Davis, these other public members were named: Vice-Chairman George W. Taylor, Professor of Economics at the University of Pennsylvania, and impartial chairman for various industries; Frank P. Graham, President of the University of North Carolina; and Wayne L. Morse, Dean of the University of Oregon's law school.

Employer representatives on the Board are:

A. W. Hawkes, President of the United States Chamber of Commerce and also of Congoleum-Nairn, Inc.; Roger D. Lapham, Chairman of the Board, American-Hawaiian Steamship Co.; E. J. McMillan, President of Standard Knitting Mills, Inc.; Walter C. Teagle, Chairman of the Board of the Standard Oil Co. of New Jersey.

The four employee representatives are as follows:

Thomas Kennedy, Secretary-Treasurer of the United Mine Workers of America; George Meany, Secretary-Treasurer, American Federation of Labor; R. J. Thomas, President of the United Automobile Workers of America; Matthew Woll, Vice President of the AFL.

The President also appointed four alternate members to represent management and labor in the absence of regular members.

Those named as employee alternates are:

Martin P. Durkin, Secretary-Treasurer, United Association of Plumbers and Steamfitters of the United States and Canada; C. S. Golden, Regional Director of the Steel Workers Organizing Committee; Emil Rieve, President of the Textile Workers Union of America; and Robert J. Watt, International Representative of the AFL.

The four employer alternates are:

L. N. Bent, Vice President of the Hercules Powder Co.; R. R. Deupree, President, Procter & Gamble Co.; James W. Hook, President of the Geometric Tool Co.; and H. B. Horton, of the Chicago Bridge & Iron Corp.

Moody's Commodity Slightly Higher

Moody's Daily Commodity Index advanced from 221.5 a week ago to 221.9 this Tuesday. The most important individual changes were an advance in cotton and a decline in hog prices.

The movement of the index was as follows:

Tuesday, Jan. 6	221.5
Wednesday, Jan. 7	221.5
Thursday, Jan. 8	221.7
Friday, Jan. 9	221.6
Saturday, Jan. 10	221.8
Monday, Jan. 12	223.4
Tuesday, Jan. 13	221.9
Two weeks ago, Dec. 30	217.9
Month ago, Dec. 13	217.0
Year ago, Jan. 13	175.1
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—Jan. 12	223.4
Low—Jan. 2	220.0

From Washington

(Continued from First Page)

sen, it will not be long before they go after him. Certainly they will do this if he does not continue to go along with them.

I have to report at this writing that, as of the first two skirmishes the embattled industrialists, seem to have won. By way of a flank attack by a small force led by Assistant Secretary of War Patterson, Walter Reuther, the leader of the Leftists, has been given an assignment to go around the country with Col. Ginsburg of the U. S. Army and report on any pooling of operations which he thinks industry might be able to effect. Of course, Reuther, the "brilliant" author of a plan to put the automobile industry out of business a year ahead of the time it has been put out of business, is still a member of the advisory committee which is to effect the "conversion" of the industry. Along with Walter, a fellow traveler, on the committee is an avowed communist, George F. Addes. And there is not the slightest doubt that Walter will have soon made his trip with Col. Ginsburg and come back to give more trouble to the automobile industry. But his assignment does at least provide a breathing space, and in the meantime, there is much laughter around Washington about the traveling companion to whom he has been assigned.

Hugh Johnson got in tremendously bad about the Colonel during the Presidential campaign by slurring the pronunciation of his name. The "World-Telegram" which sponsored the General's column, apologized for the General's speech on the radio. The Colonel first attracted attention in the days of Hoover when he was the ghost writer for the Secretary of War, Pat Hurley. Much was being said and written in those days about the witty "Irish" speeches which Pat was making. This writer fell upon the fact that the Colonel who was born in Russia, was responsible for this Irish wit. He wrote about it. Two of Pat's aides waited upon the writer and he, perceiving that Pat was about to make a goat of Ginsburg who had had nothing to do with his getting the story, sent word to the Secretary of War, that he thought the whole thing very funny, not serious, but that he intended to watch Ginsburg's career and that if anything happened to him, then the story would be pursued in its hilarious vein. The result was that Pat sent Ginsburg off to West Point for a special course.

He is an unusually able fellow. He came into the army during the last World War and has remained in it ever since. Now, he has been ghost writing Patterson's speeches. Patterson undoubtedly sent him with Reuther because he trusts him. It remains to be seen how this trained army officer and the youngish radical get along together. Regardless, Reuther will be back soon to serve on the advisory committee of the automobile industry and then the sparks will fly.

In the meantime, the Leftists of Washington are apparently determined that if the war is won without their having their way it will not be an official victory. Industry of the country is turning out the bullets, the planes and the tanks and the whatnot of the needs for soldiers. The Leftists in the meantime, are turning out words and insistent upon continuing to do so.

One can sit around and argue until he is blue in the face, for example, as to whether the automobile industry, for example, should have been struck down a year ago instead of today. The point is that today it is "struck" down. Now, to survive, it is a cinch that it will turn out all the war materials it possibly can to the extent that it gets the contracts.

Regardless of what the situation may have been in the past, it is now different. Business men who have been lending themselves to the attack on Knudsen, in this writer's opinion, have been unwittingly lending themselves to a subversive movement. The New Deal-CIO combination has been all out for a "Ministry of Production" and their whole enterprise is to get rid of Knudsen who has been standing between them and employe-employer control of the automobile industry. Knudsen, always an obsession of the combination, has become a focal point in this most vicious of attacks.

It is this writer's opinion, based on his long experience as an observer of the Washington scene. Take it for what it is worth. If Knudsen falls the private operation of the automobile industry falls. There is still some question as to just how far he has fallen with Nelson's appointment. He may still be in a position to protect the automobile industry against the employe-employer management plan. It is doubtful if Nelson would be inclined to do so.

In fairness to the President, he has never at any time indicated the slightest dissatisfaction with Knudsen. I have the rather distinct impression that he appreciates how this man has gone along trying to do his job without engaging in controversy. I have the rather distinct impression, too, that the two men have seen eye to eye ever since Knudsen was first called to Washington. It is surprising, though — rather a commentary on Mr. Roosevelt—that he should have permitted this loyal citizen to take the beating he has without calling the dogs off.

A collateral phase of the present propaganda campaign is against Jesse Jones. He is responsible, it is being charged, for our not having more rubber on hand than we have. This writer can say authoritatively that some eight months ago, the British and Dutch producers of rubber in the East Indies, said they could not justify an increased production unless we agreed to take it over a five year period at an increase in price. Jones immediately agreed to do this. Then the Russians came into the war and overbid us for the increased production. Furthermore, the British, needing rubber also, have placed restrictions on the export.

On the question of Jones' not stimulating synthetic production, Mr. Roosevelt, himself, was the bottleneck.

But the war is not confined to the New Dealers and anti-New Dealers. Wallace and Hopkins are warring with Ickes. The Ickes' group of New Dealers and the Wallace group of New Dealers have always gone their separate ways. Subordinates have transferred from one agency to another around here. No Ickes' man has ever transferred to a Wallace agency and vice versa. The intense feeling between Hopkins and Ickes dates back to the time when they were rival spenders and were placarding the country with signs as to which was the better spender. Now, Hopkins and Wallace have joined together in their mutual ill-feeling against Ickes and have thus far succeeded in keeping him out of any prominent place in the war set-up.

The much courted Russian Ambassador, nowadays, Litvinoff, is a very cynical fellow. He says very frankly that he thinks that 70% of the so-called battle of Libya is political. The thing for the British and Americans to do, he says, is to not to be working out so much broad strategy plans, but to attack the enemy face to face on the Western European front. It is a commentary on the bickerings of international statesmen, that he doesn't hold kindly to the view that the British want to be successful in Libya so they can give aid to the Russians in the Caucausus. He leaves the impression that the Russians would no sooner let the British "assist" them at the rear in this way than they would the Germans. Attack the Germans face to face in Europe, he says. He is a coldly calculating man.

A friend of this writer's, just arriving from Honolulu, who was there through the raid, says the people there are laughing about the fear of the Pacific Coast of an air attack. They point out that on the third Japanese raid of December 7, when we had finally got our planes in the air, that the Japs were easily repulsed.

SEC Regulation S-X Applied To Unit Trusts

The Securities and Exchange Commission announced on Jan. 9 the adoption of changes in Regulation S-X making that regulation applicable to the form and content of financial statements filed by unit investment trusts, including unit investment trusts which are issuers of periodic payment plan certificates. The changes are designed for use by companies subject to the Investment Company Act of 1940, but also are applicable to statements of unit investment trusts filed under the Securities Act of 1933 and the Securities Exchange Act of 1934. It is contemplated, however, that further amendments or a general revision of the requirements as to the form and content of financial statements of companies filing under the Investment Company Act of 1940 may result from the study of the financial statements of the companies covered by that Act.

The changes in Regulation S-X consist of—

(a) amendments to Rule 1-01 to require that Regulation S-X govern the form and content of the financial statements required to be filed as part of forms C-1 and 2-MD; and

(b) the adoption of Article 6A and the related rules of Article 12, which deal specifically with the form and content of statements of condition, statements of income and other distributable funds, and schedules for unit investment trusts, including unit investment trusts which are issuers of periodic payment plan certificates.

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

COMMON CAPITAL STOCK INCREASED

	Amount of Increase
Jan. 2—The National Bank of Wyandotte, Wyandotte, Mich. From $100,000 to $200,000	$100,000
Jan. 8—The Farmers National Bank of Geneseo, Geneseo, Ill. From $63,125 to $85,000	21,875

The Capital Flotations In the United States During the Month of December and for the Twelve Months of the Calendar Year 1941

December's corporate capital issues market was the quietest of any month this year and the volume of financing carried out during the month, $111,520,250 was the smallest since June 1940. Since August 1939 there have been two other months when financing operations through the capital market have been on a similarly reduced scale. In addition to last month, when the Japanese brought the war to the United States by bombing Hawaii and other outlying possessions, there was June 1940 when France fell to the Germans and capital flotations totaled $111,247,808, and September 1939 when the European War commenced with the invasion of Poland and capital financing amounted to $96,214,150. The association of these events with the capital issues market is not a remote one for each of these occurrences provoked marked weakness in the nation's securities markets. Naturally the hazards of bringing out new issues were greatly enlarged in consequence. In months succeeding the earlier dates mentioned the new issues volume went forward to higher levels than theretofore. The future is enveloped with a greater degree of uncertainty now however, for it is customary for nations at war to institute strict control of the capital markets. What may be done here in this regard remains to be seen.

The volume of financing for new capital purposes in December was less affected than the total and the $59,465,696 issues sold for this purpose was only 30% below the monthly average for 1941, whereas the total figures were nearly 50% below the year's average. In December 1940, issues sold for all purposes aggregated $396,778,240 and those for new capital purposes $32,198,558.

Issues sold privately last month totaled $59,572,000 and represented more than 53% of the month's total sales. This was a greater amount than in November when $14,600,000 or a little more than 10% was privately placed. In October private sales accounted for $68,595,000 or 34% of the total.

Only three corporations brought out issues last month for $10,000,000 or over; Pennsylvania RR. offered publicly $18,465,000 equipment trust certificates; in addition, there were two private placements of such size, viz., $23,200,000 obligations of Public Service Co. of Indiana, Inc. and $13,000,000 of Loews Inc.

Municipal financing dropped to $60,287,387 last month from $73,116,663 in November. However the portion representing new money rose to $42,014,869 from the year's low of only $19,986,860 in November.

Below we present a tabulation of figures since January, 1939, showing the different monthly amounts of corporate financing as revised to date. Further revisions of the 1941 figures will undoubtedly be necessary from time to time, particularly as additional private financing is brought to light in annual reports and other places.

SUMMARY OF CORPORATE FIGURES BY MONTHS, 1941, 1940 AND 1939

	*1941			*1940			*1939		
	New Capital	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*
	$	$	$	$	$	$	$	$	$
January	52,928,677	271,387,665	324,316,342	35,469,718	137,994,832	173,464,550	5,926,032	10,386,300	16,312,332
February	46,549,770	227,012,100	273,561,870	46,004,059	211,341,581	257,345,640	23,833,072	136,115,000	159,948,072
March	86,634,370	115,287,655	201,922,025	31,527,491	103,799,050	135,326,541	58,179,191	48,688,660	106,867,851
First quarter	186,112,817	613,687,420	799,800,237	113,001,268	453,135,463	566,136,731	87,938,295	195,189,960	283,128,255
April	39,469,665	107,180,735	146,650,400	59,175,210	192,497,442	251,672,652	78,200,042	181,769,350	259,969,392
May	63,874,177	197,102,123	260,976,300	89,787,130	84,280,300	174,067,430	21,740,443	161,502,000	183,242,443
June	90,466,785	113,390,374	203,857,159	9,771,328	101,476,480	111,247,808	31,241,064	251,798,424	283,039,488
Second quarter	193,810,627	417,673,232	611,483,859	158,733,668	378,254,222	536,987,890	131,181,549	595,069,774	726,251,323
Six months	379,923,444	1,031,360,652	1,411,284,096	271,734,936	831,389,685	1,103,124,621	219,119,844	790,259,734	1,009,379,578
July	43,569,170	86,468,380	130,037,550	49,833,450	242,447,950	292,281,400	49,703,366	180,669,959	230,373,325
August	327,402,743	74,427,157	401,829,900	67,938,134	112,893,538	180,831,672	25,894,844	317,462,641	343,357,485
September	34,264,713	161,391,300	195,656,013	68,006,465	65,594,785	133,601,250	16,019,150	80,195,000	96,214,150
Third quarter	405,236,626	322,286,837	727,523,463	185,778,049	420,936,273	606,714,322	91,617,360	578,327,600	669,944,960
Nine months	785,160,070	1,353,647,489	2,138,807,559	457,512,985	1,252,325,958	1,709,838,943	310,737,204	1,368,587,334	1,679,324,538
October	103,261,200	97,050,220	200,311,420	47,728,100	345,346,770	393,074,870	20,297,396	157,474,063	177,771,459
November	89,427,250	42,384,100	131,811,350	168,943,139	93,942,646	262,885,785	21,640,375	90,834,833	112,475,208
December	59,465,696	52,054,554	111,520,250	62,198,558	334,579,682	396,778,240	30,778,057	195,817,158	226,595,215
Fourth quarter	252,154,146	191,488,874	443,643,020	278,869,797	773,869,098	1,052,738,895	72,715,828	444,126,054	516,841,882
Twelve months	1,037,314,216	1,545,136,363	2,582,450,579	736,382,782	2,026,195,056	2,762,577,838	383,453,032	1,812,713,388	2,196,166,420

*Revised.

NOTE—The February, 1941, and the cumulative 1941 figures in the above table have been adjusted to reflect the addition of the following short-term note issue, which was placed privately with an insurance company last Febraury but heretofore has escaped our notice: Commercial Credit Co. two-year 1 1-10% notes due Feb. 21, 1943, aggregating $15,000,000; total proceeds for working capital.

Results for the Full Year 1941

Last year capital flotations of corporate entities had an aggregate value of $2,582,450,579, not quite as great as 1940's $2,762,577,838 but otherwise the greatest annual total since 1936 when huge refunding operations brought the total up to $4,631,945,681. Although total volume in 1941 failed to attain the 1940 level, financing for new capital purposes rose to $1,037,314,216, 40% above 1940's $736,382,782 and the largest in this classification since 1937. However, neither the amount nor the degree of increase in this kind of financing was representative of the great expansion in industrial activity in the past two years. In times of normal business growth there is ordinarily an attendant growth of new capital financing. The present industrial boom is of course not a normal one, but one arising from our defense and war programs and British purchases in this country on account of the war. The reflection of such a boom is not unnaturally found in the United States Treasury's financing operations rather than in the corporate figures. New indebtedness incurred by the Treasury last year through the public sale of its securities amounted to no less than $11,512,617,001.

In ordinary times corporate plant expansion is financed by sales of corporation stocks and bonds to the public but that this was not the chief method employed last year is apparent from the following figures issued by the National Association of Manufacturers: From the beginning of the defense program through Sept. 30, 1941, industrial facilities for defense, financed by the Government and privately, amounted to $5,260,463,000. Of the total, $4,266,077,000 was financed with Government funds and only $993,756,000 with private resources. The largest recipients of the Government funds were the aircraft industry, $879,515,000, ammunition, $810,297,000, ship construction, $691,652,000, and chemicals, $658,448,000.

The new capital funds included in our compilations last year went chiefly to the public utility industry, $396,958,570, and the railroads, $252,071,000. Miscellaneous businesses, comprised in our classifications "other industrial and manufacturing" and "miscellaneous," received a total of $306,822,646, oil companies, $56,319,000, rubber, $10,400,000, and iron, steel, copper, etc., $9,850,000.

Corporate refunding dropped last year to $1,545,136,363 from $2,026,195,056 in 1940 and $1,812,713,388 in 1939. The smaller refunding volume occurred in spite of bond yields being low throughout the year; in fact, most grades of bonds established the lowest yields in history in 1941. But while new lows were reached last year, the degree of decline was not so marked as in preceding years. Moody's average corporate yield reached a low of 3.25% in 1941 compared with a low of 3.35% in 1940 and 3.62% in 1939.

Municipal flotations of $957,754,499 last year were in the smallest aggregate since 1937. The 1940 total in this classification was $1,233,706,974 and 1939, $1,125,901,000. Only a little more than half of last year's total, $520,515,194, represented new money. This was the smallest percentage for new money since our records commenced in 1919, and probably much longer. In 1938, as much as $970,613,500 out of a total of $1,099,757,500 bonds sold was for new capital and in many of the earlier years of our compilations the new capital proportion was even greater, but since 1938 the tendency has been for increasing emphasis on refunding operations and decreasing percentages of new money.

Following is a tabulation of the annual corporate figures for the past 12 years according to each type of security:

DOMESTIC CORPORATE ISSUES

Cal. Years	*Bonds and Notes*	*Preferred Stocks*	*Common Stocks*	*Total*
1941	$2,287,845,200	$216,017,925	$78,587,454	$2,582,450,579
1940	2,434,645,300	246,315,690	81,616,848	2,762,577,838
1939	1,882,749,000	161,158,178	72,759,242	2,116,666,420
1938	2,042,783,895	78,560,510	19,087,784	2,140,432,189
1937	1,673,283,500	468,395,208	292,013,451	2,433,692,159
1936	4,026,041,600	270,840,364	282,063,717	4,578,945,681
1935	2,116,597,775	123,650,746	27,180,244	2,267,428,765
1934	455,293,100	3,198,450	31,402,899	489,894,449
1933	227,244,700	15,222,555	137,383,069	379,850,324
1932	619,860,300	10,920,875	13,114,170	643,895,345
1931	2,028,034,050	148,015,667	195,115,706	2,371,165,423
1930	3,430,572,660	421,538,230	1,105,018,763	4,957,129,653

DOMESTIC AND FOREIGN, INCLUDING CANADIAN

Cal. Years	*Bonds and Notes*	*Preferred Stocks*	*Common Stocks*	*Total*
1941	$2,287,845,200	$216,017,925	$78,587,454	$2,582,450,579
1940	2,434,645,300	246,315,690	81,616,848	2,762,577,838
1939	1,962,249,000	161,158,178	72,759,242	2,196,166,420
1938	2,042,783,895	78,560,510	19,150,284	2,140,494,689
1937	1,673,283,500	468,395,208	292,013,451	2,433,692,159
1936	4,064,041,600	285,840,364	282,063,717	4,631,945,681
1935	2,116,597,775	123,650,746	27,180,244	2,267,428,765
1934	456,493,100	3,198,450	31,402,899	491,094,449
1933	228,844,700	15,222,555	137,516,401	381,583,656
1932	619,860,300	10,920,875	13,114,170	643,895,345
1931	2,245,834,050	148,015,667	195,115,706	2,588,965,423
1930	3,904,998,160	434,538,230	1,133,742,653	5,473,279,043

Large Domestic Corporate Issues During the Calendar Year

Below we list the principal issues of securities placed during 1941, giving at the same time (in parentheses) the purpose of the issue.

JANUARY

$11,925,000	**Pennsylvania RR.** series L 1¾% equip. trust certificates due 1942-1956 (new equipment).
12,570,000	**Union Pacific RR.** 1½% equip. trust certificates, due 1942-1956 (new equipment).
20,000,000	**Bell Telephone Co. of Pa.** 1st & ref. 2¾s, 1976 (refunding).
12,000,000	**Consolidated Gas El. Light & Power Co. of Balt.** 1st & ref. 2¾s, series Q, 1976 (refunding).
50,000,000	**Illinois Bell Telephone Co.** 1st mtge. 2¾s, series A, 1981 (refunding and new capital).
15,900,000	**Philadelphia Suburban Water Co.** 1st mtge. 3¼s, 1971 (refunding).
1,500,000	**Philadelphia Suburban Water Co.** 10-year (0.38%-2¼%) notes (refunding and working capital).
11,500,000	**Southern Counties Gas Co. of Calif.** 1st mtge. 3s, 1971 (refunding).
28,000,000	**Jones & Laughlin Steel Corp.** 1st mtge. 3¼s, 1961 (refunding).
20,000,000	**Phillips Petroleum Co.** 1¼% debs., 1951 (refunding and working capital).
15,000,000	**Phillips Petroleum Co.** serial (0.25%-1.90%) notes, 1941-1951 (refunding).
10,000,000	**Shell Union Oil Corp.** serial (0.375%-2.50%) notes, 1942-1953 (refunding).
15,000,000	**Shell Union Oil Corp.** 20-year 2¾% debs., 1961 (refunding)
12,000,000	**Panhandle Eastern Pipe Line Co.** 1st mtge. & 1st lien 3s, series B, 1960 (refunding).
6,250,000	**Panhandle & Eastern Pipe Line Co.** 1st mtge. & 1st lien (1.65%-2.30%) bonds, series A, 1946-1950 (refunding).
5,000,000	**Panhandle Eastern Pipe Line Co.** serial (0.75%-1.50%) notes, 1942-1945 (refunding, corporate purposes).

FEBRUARY

$13,800,000	**Chesapeake & Ohio Ry.** ref. & impt. bonds (0.35%-1.90%) series G-1 to G-10, bonds, due 1942-1951 (refunding).
11,000,000	**Chesapeake & Ohio Ry.** ref. & impt. bonds (2%-2.90%) series G-11 to G-25, due 1956-66 (refunding).
15,000,000	**Commercial Credit Co.** 2-year 1 1-10% notes (working capital).
11,418,000	**Monongahela Ry.** 1st mtge. 3¼s, series B, 1966 (refunding).
10,900,000	**New York Central** 1⅞% equip. trust ctfs. (new equipment).
101,271,000	**Georgia Power Co.** 1st mtge. 3½s, 1971 (refunding).
26,500,000	**Wisconsin Public Service Co.** 1st mtge. 3¼s, 1971 (refunding).
13,200,000	**Wisconsin Public Service Co.** (132,000 shs. of 5% pref. stock, par $100) (refunding).
10,000,000	**Roman Catholic Archbishop of Detroit** 3½% sinking fund notes (refunding).

MARCH

$15,000,000	**Ohio Power Co.** 1st mtge. 3s, 1971 (additions, &c.).
20,240,300	**Ohio Power Co.** (202,403 shs.) 4½% cum. pref. stock, par $100 (redeem pref. and discharge open account indebtedness).
20,000,000	**Pacific Gas & Electric Co.** 1st & ref. 3s, series J, 1970 (corporate purposes).
16,000,000	**Public Service Co. of Oklahoma** 1st mtge. 3¼s, series A, 1971 (refunding).
8,350,000	**Public Service Co. of Oklahoma** (83,500 shs.) 5% pref. stock, par $100 (refunding).
30,000,000	**Wheeling Steel Corp.** 1st mtge. 3½s, series B, 1966 (refunding).
10,000,000	**Sun Oil Co.** 2¼% debs., 1951 (refunding).
15,000,000	**Commercial Investment Trust Corp.** 2% notes, 1951 (corporate purposes).
14,899,100	**Philip Morris & Co., Ltd., Inc.** (148,991 shs.), 4¼% cum. pref. stock, par $100 (pay bank loans, construction, &c.).

APRIL

$13,265,000	**Central Hudson Gas & Electric Corp.** 1st mtge. 3s, 1971 (refunding).
22,000,000	**Koppers Co.** 1st mtge. & coll. trust 3½s, 1961 (refunding).
8,000,000	**Koppers Co.** 2% serial notes, 1941-47 (refunding).
10,000,000	**Sun Oil Co.** 2¼% debs., 1951 (refunding and working cap.)
12,500,000	**Swift & Co.** serial (0.35%-2.05%) debs., 1942-51 (refunding).
12,500,000	**Swift & Co.** 2¾% debs., 1961 (refunding).

MAY

$14,625,000	**Southern Pacific Co.** 2¼% equip. trust certificates, 1942-1956 (new equipment).
80,000,000	**Union Electric Co. of Missouri** 1st mtge. coll. trust 3⅜s, 1971 (refunding).
15,825,000	**Union Electirc Co. of Missouri** (150,000 shs.) $4.50 pref. stock, no par (refunding).
50,000,000	**Firestone Tire & Rubber Co.** 20-year 3% debs., 1961 (refunding and new capital).
19,519,000	**Louisville Gas & Electric Co. (Ky.)** (780,792 shs.) 5% cum. preferred stock, par $25 (refunding).

JUNE

$15,000,000	**New York Central RR.** 2¼% equip. trust certificates, 1942-1951 (new equipment).
11,250,000	**Southern Ry.** 2% equip. trust certificates, 1942-1951 (new equipment).
48,000,000	**Philadelphia Co.** coll. trust sinking fund 4¼s, 1961 (refunding).
12,000,000	**Philadelphia Co.** 1-10-year 2⅝% coll. trust serial notes 1942-51 (refunding).
13,000,000	**Southern Natural Gas Co.** 1st mtge. pipe line sinking fund 3¼s, 1956 (refunding).
26,500,000	**International Paper Co.** 1st lien & gen. ref. 3⅝s, 1956 (refunding, new construction, &c.)

JULY

$9,387,000	**Chicago Burlington & Quincy RR.** 1½% equip. trust certificates due 1942-1948 (new equipment).
35,393,000	**New York State Electric & Gas Corp.** 1st mtge. 3¼% bonds, due 1971 (refunding).
12,000,000	**New York State Electric & Gas Corp.** (120,000 shs. 5.10% cum. pref. stock par $100) (refunding and construction).
13,700,000	**McKesson & Robbins, Inc.** 15-year 3½% sinking fund debs. 1956 (refunding and working capital).
5,600,000	**McKesson & Robbins, Inc.** 56,000 shs. of 5¼% pref. stock, par $100 (refunding new capital).
15,000,000	**Remington Rand, Inc.** 15-year 3½% sinking fund debs. 1956 (refunding).

AUGUST

$20,000,000	**Atchison Topeka & Santa Fe Ry.** series E 1⅝% equip. trust certificates, due 1942-1951 (new equipment).
233,584,900	**American Telephone & Telegraph Co.** 15-year 3% convertible debentures, 1956 (extensions, improvements, &c.).
22,000,000	**Peoples Gas Light & Coke Co.** 1st & ref. mtge. 3¼% bonds, series E, 1966 (refunding).
15,000,000	**Peoples Gas Light & Coke Co.** 1st & ref. mtge. 3% bonds, series F, 1956 (refunding).
30,000,000	**Wisconsin Power & Light Co.** 1st mtge., series A, 3¼% bonds, 1971 (refunding).
2,500,000	**Wisconsin Power & Light Co.** 3% serial notes, 1949-1951 (refunding).
25,000,000	**Standard Oil Co. of Calif.** 2¾% debs., 1966 (prepayment of instalment notes).
15,000,000	**Standard Oil Co. of Calif.** serial (1.05%-2.20%) notes, 1946-1955 (corporate purposes).
14,000,000	**Safeway Stores, Inc.** 3¼% 20-year debs., 1961 (pay bank loans, working capital).

SEPTEMBER

$18,000,000	**Erie RR. Ohio Division** 1st mtge. 3¼% bonds, 1971 (refundg).
14,737,000	**St. Paul Union Depot Co.** 1st & ref. mtge. bonds, series B) 3⅛%, 1971 (refunding).
90,000,000	**American Telephone & Telegraph Co.** 2¾% 35-year debs., 1976 (refunding.).
12,000,000	**Continental Baking Co.** 3½% debs., 1949-1956 (refunding).

OCTOBER

$13,250,000	**Union Pacific RR.** 1½% equip. trust certificates, series G, due 1942-1951 (new equipment).
38,000,000	**Central Illinois Public Service Co.** 1st mtge. bonds, series A, 3⅜% 1971 (refunding).
9,000,000	**Central Illinois Public Service Co.** (2%-3%) notes, 1942-1951 (refunding).
17,000,000	**International Business Machines Corp.** 2¼% 10-year debs. (refunding and working capital).
10,000,000	**Beneficial Industrial Loan Corp.** 2¾% debs., 1956 (general corporate purposes).
11,351,900	**Dow Chemical Co.** 113,519 shs. of common stock, no par (pay bank loans, capital additions).
37,409,820	**Westinghouse Electric & Manufacturing Co.** 534,426 shs. of common stock, par $50 (general corporate purposes).

NOVEMBER

$25,000,000	**Pacific Gas & Electric Co.** 1st & ref. mtge. bonds, series K 3% 1971 (refunding, expansion).
20,000,000	**Philadelphia Electric Co.** 1st & ref. mtge. bonds 2¾% 1971 (pay promissory notes).
15,000,000	**Hiram Walker-Gooderham & Worts, Ltd., and Hiram Walker & Sons, Inc.,** serial (0.50%—3.20%) debentures 1942-56 (refunding, pay bank loans).
20,000,000	**Westinghouse Electric & Manufacturing Co.** 2⅛% debentures 1951 (capital additions).
15,000,000	**Superior Oil Co. (Calif.)** 3% debentures 1956 (refunding, general corporate purposes).
10,000,000	**Pacific Gas & Electric Co.** 400,000 shares of 5% cumulative preferred stock, par $25 (refunding).

DECEMBER

$18,465,000	**Pennsylvania RR.** 2⅜% equip. trust certificates, due 1943-1957 (new equipment).
13,200,000	**Public Service Co. of Indiana, Inc.** 1st mtge. 3⅜% bonds, series C, due 1971 (refunding).
10,000,000	**Public Service Co. of Indiana, Inc.** notes (average interest rate 2.6356%), due serially to 1950 (refunding).
13,000,000	**Loew's, Inc.** 3% 15-year debs. (refunding).

Private Sales of Securities in the Calendar Year 1941

Our records of security issues placed privately show that 1941 had more of such issues, which involved a greater amount of money, and represented a greater percentage of the dollar value of all security issues sold, than any other year since we started compiling these figures separately in 1937. There were 199 separate issues of this character sold last year with an aggregate value of $930,007,300, which was 36.0% of the value of all issues sold during the year. In 1940, 157 private issues were sold for $834,540,289, constituting 30.2% of the flotations in that year.

Placements of this nature have increased in number and dollar value in each year covered by our records, 1937 to date; and in only one year, 1940, did the percentage of these issues to the aggregate fall below the year preceding. In the first half of 1941, a substantially greater volume of private financing was carried out than in the second half of the year, viz., $533,812,300 in the earlier period compared with $396,195,000 in the latter. The percentage also dropped off from 37.8% in the first six months to 33.8% in the second. In addition the figures for the last half year include a single issue of the American Telephone & Telegraph Co. for $90,000,000, which alone represented about 25% of the placements in that period.

It is difficult, however, to attach significance to trends in these figures for periods shorter than a year. For, in spite of wide month-to-month variations, the annual volume and proportion figures seem to show fairly uniform results. Except for 1937, the annual percentage figures range between a low of 30.2% in 1940 and a high of 36.0% last year. The volume figures have advanced each year; but except for 1938, each year's aggregate of all issues, public and private, also has shown an increase over the one preceding.

Private sales, it might be well to explain, comprise those securities issues not publicly offered but sold directly by negotiation to a relatively few large purchasers, ordinarily insurance companies and banks. No distinction is made between private and public issues in our detailed compilation of the capital flotations. It ought also to be made clear, to avoid any misunderstanding of the figures, that the compilation is only of security issues and does not include either long term or short term bank loans.

Following is a list of all the private securities issues which we have recorded in the year 1941, which is followed by a summary of the amounts placed since 1937:

Addressograph-Multigraph Corp. 15-year 3% sinking fund debs., 1956, $2,000,000 (May).

Albuquerque Gas & Electric Co., 1st mtge. bonds, 3½% series, 1966, $3,000,000 (June).

Albuquerque Gas & Electric Co. 3½% 1st mtge. bonds, 1966, $267,000 (Dec.).

Alton Water Co. 1st mtge. 3½% bonds, 1966, $1,100,000 (Feb.).

American Barge Line Co., 1st pref. mtge. serial bonds, 1942-1951, (0.75 and 3.50%) $250,000 (May).

American Home Products Corp. 15-year 3½% sinking fund debentures, 1956, $5,000,000 (Aug.).

American Rolling Mill Co., series A 3% debs., 1950, $2,500,000 (May).

American Rolling Mill Co., 0.50%-2.60% serial debs., $5,000,000 (Jan.).

American Rolling Mill Co., 14-year 3⅜% debs., $5,000,000 (Sept.).

American Telephone & Telegraph Co. 2¾% 35-year debentures, 1976, $90,000,000 (Sept.).

Armstrong Water Co., 1st mtge. bonds, series A 3½%, 1966, $200,000 (May.).

Associated Gas & Electric Corp., 2.25% trustee certificates, 1942 and 1943, $5,000,000 (Dec.).

Associated Telephone Co., Ltd. (Calif.), 1st mtge. bonds, series B, 3¼%, 1969, $1,368,000 (April).

Atlanta Gas Light Co., 3½% gen. mtge. bonds, 1961, $2,200,000 (March).

Atlantic City Sewerage Co., 1st mtge. 3¾% bonds, series A, 1961, $1,450,000 (Nov.).

Bangor Gas Co., 1st mtge. 4% s. f. bonds, 1971, $300,000 (Sept.).

Bell Telephone Co. of Pa., 1st & ref. 2¾% bonds, 1976, $20,000,000 (Jan.).

Birmingham Gas Co., 1st mtge. bonds, 3⅞% series, 1971, $5,850,000 (March).

Black Hills Power & Light Co., 1st mtge. bonds, series A, 3½%, 1971, $2,000,000 (Oct.).

Brunswick Pulp & Paper Co., 1st mtge. serial (0.50-3.50%) bonds, $2,600,000 (June).

Bryant Paper Co., 1st mtge. 4¼% bonds, series A, 1947-1956, $1,000,000 (June).

Buffalo Niagara Electric Corp., 2¼% debs., 1951, $7,200,000 (April).

Butler Water Co., 1st mtge. bonds, series A, 3⅝%, 1971, $1,000,000 (May).

Cairo Water Co., 1st mtge. bonds, 3¾%, series B, 1971, $400,000 (May).

California Packing Co • 2¾% debs., 1942-1956 ($7,500,000 (May).

California Public Service Co., 1st mtge. 4¼% bonds, $140,000 (Jan.).

California Water & Telephone Co., 3.60% 1st mtge. bonds, 1971, $5,850,000 (Oct.).

Capital City Water Co., 1st mtge. 3¾% bonds, $600,000 (March).

Capital Finance Corp., 10-year 3% s. f. debs., 1951, $4,000,000 (July).

Central Electric & Telephone Co., 1st mtge. & coll. 3¾% bonds, series B, 1966, $5,000,000 (March).

Central Hudson Gas & Electric Corp., 3% 1st mtge. bonds, 1971, $13,265,000 (April).

Central Illinois Public Service Co., 2%, 2¾%, 3% unsecured notes, 1942-1951, $9,000,000 (Oct.).

Central Investment Corp., Los Angeles, 1st mtge. 4¼%, 4½% bonds' 1942-1956, $3,200,000 (Dec.).

Central Maine Power Co., 3½% 1st & gen. mtge. bonds, series L, 1970, $1,250,000 (Feb.).

Central Maine Power Co., 1st & gen. mtge. bonds, series L, 3½%, 1970, $1,000,000 (Dec.).

Central New York Power Corp., gen. mtge. bonds, 3½% series, 1965, $5,000,000 (Jan.).

Central Ohio Light & Power Co., 1st mtge. 3½% bonds, series D, 1966, $400,000 (Feb.).

Chesapeake & Ohio Ry., ref. & impt. bonds, series G-1-G-10, 0.35%-1.90%, 1942-1951, $6,490,000 (Feb.).

Chicago & North Western Ry., 1⅞% equip. trust certificates, March 1, 1942-1951, $5,400,000 (Feb.).

Cincinnati Union Terminal Co., 2.60% 30-year bonds, 1971, $3,000,000 (March).

Citizens Water Co. of Washington, Pa., 1st mtge. 3½% bonds, 1966, $2,000,000 (Feb.).

Coast Counties Gas & Electric Co., 1st mtge. 30-year bonds, 3¼% series, 1971, $3,500,000 (July).

Colonial Stores, Inc., 3⅝% 15-year s. f. debs., $2,000,000 (Nov.).

Commercial Credit Co., 2-year 1 1-10% notes, 1943, $15,000,000 (Feb.).

Commercial Investment Trust Corp., 2% notes, 1951, $15,000,000 (March).

Commonwealth Water Co., 3½% 1st mtge. bonds, 1965, $5,010,000 (Feb.).

Conde Nast Publications, Inc., 1st mtge. 10-year 4% serial mtge. bonds, 1941-1951, $600,000 (Aug.).

Consolidated Gas Utilities Corp., 1st mtge. s. f. bonds, 4% series A, 1956, $6,500,000 (April).

Consolidated Gas Utilities Corp., 10-yr. 5% debs., 1951, $900,000 (April).

Continental Baking Co., 3½% debs., semi-ann. 1949-1956, $12,670,000 (Sept.).

Cuneo Press, Inc., serial debs., 1942-1949, $1,650,000 (Jan.).

Denver & Rio Grande Western RR., 2⅜% trustees certificates, series H, 1946, $5,000,000 (Jan.).

Derby Gas & Electric Corp., coll. trust debs., 3% series, 1949, $2,750,000 (Oct.).

Detroit Toledo & Ironton RR., 1¼% equip. trust certificates, 1942-1951, $1,150,000 (Feb.).

East St. Louis & Interurban Water Co., 1st mtge. bonds, 3¾% series B, 1971, $7,500,000 (May).

East Tennessee Light & Power Co., 3½% 1st mtge. bonds, series A, 1966, $4,800,000 (April).

Elgin Joliet & Eastern Ry., 1% equip. trust certificates, 1942-1951, $2,900,000 (Jan.).

Ellwood Consolidated Water Co., 1st mtge. 3¼% bonds, 1966, $250,000 (May).

Florida Power Corp., 1st mtge. 4% bonds, series C, 1966, $1,000,000 (April).

Florida Power Corp., 3½% serial debs., 1941-1955, $2,000,000 (April).

Florida Telephone Corp., 1st mtge. 4% bonds, serial, 1942-1971, $750,000 (June).

General American Transportation Corp., 2% promissory notes, 1946-1948, $3,498,000 (Jan.).

General American Transportation Corp., 2% equip. trust certificates, series 33, 1942-1951, $3,440,000 (Aug.).

General Finance Corp., 4% debs., 1946, $500,000 (June).

Georgia Power Co., 1st mtge. bonds, 3½% series, 1971, $101,271,000 (Feb.).

Glen Rock Electric Light & Power Co., 1st mtge bonds, 3½% series, 1966, $325,000 (March).

Glidden Co., 3% notes, 1947, $3,000,000 (Nov.).

(B. F.) Goodrich Co., 3% 1st mtge. bonds, 1956, $5,000,000 (Dec.).

Gulf Power Co., 1st mtge. 3⅛% bonds, 1971, $3,000,000 (Oct.).

(W. F.) Hall Printing Co., serial debs. (aver. int. rate 2.04%), 1941-1950, $1,800,000 (June).

(W. F.) Hall Printing Co., 10-yr. 2⅞% s. f. debs., 1951, $1,200,000 (June).

(Walter E.) Heller Co., 4% debentures, 1951, $1,000,000 (Sept.).

Hilton-Davis Chemical Co., 12-year 4½% notes, $850,000 (Dec.).

Holly Sugar Corp., 3¼% 1st mtge. bonds, 1951, $3,750,000 (June).

Illinois Bell Telephone Co., 1st mtge. 2¾% bonds, series A, 1981, $3,750,000 (Jan.).

Inland Steel Co., 1¼% serial notes, 1941-1946, $7,000,000 (Jan.).

Inter-Mountain Telephone Co., 30-year 1st mtge. s. f. 3% bonds, 1966, $125,000 (July).

International Business Machines Corp., 2¼% 10-year debs., $17,000,000 (Oct.).

International Paper Co., 1st lien & gen. mtge. bonds, 3⅝% series, 1956, $26,500,000 (June).

Iowa Electric Light & Power Co., 1st mtge. bonds, series B 3¼%, 1971, $2,000,000 (May).

Iowa Electric Light & Power Co., gen. mtge. serial 3¼% notes, 1942-1951, $1,050,000 (May).

(B. F.) Keith Corp., 4¼% mtge. & coll. trust bonds, 1954, $6,000,000 (July).

Kelsey-Hayes Wheel Co., 1st mtge. 3¾% s. f. bonds, $2,500,000 (Sept.).

Keystone Telephone Co. of Philadelphia, 1st mtge. 3½% bonds, series A, 1965, $8,000,000 (Jan.).

Kittery Electric Light Co., unsecured serial notes, first series, 3½%, 1966, $150,000 (Sept.).

Koppers Co., 2% serial notes, 1941-1947, $8,000,000 (April).

Las Vegas Light & Power Co., 1st mtge. bonds, 3½% series, 1966, $225,000 (June).

Latrobe Water Co., 1st mtge. 3¼% bonds, 1966, $600,000 (May).

Lexington (Ky.) Telephone Co., 1st mtge. bonds, series A 3½%, 1971, $1,800,000 (April).

Lexington Water Co., 1st mtge. 3½% bonds, 1966, $2,450,000 (Feb.).

Loew's, Inc., 3% 15-year debs., $13,000,000 (Dec.).

Loose-Wiles Biscuit Co., 3% serial notes, 1944-1956, $4,000,000 (July).

Louisiana Ice & Electric Co., Inc., 1st mtge. 3½% bonds, series A, 1961, $570,000 (Feb.).

Louisiana Ice & Electric Co., Inc., 2½% serial notes, 1942-1946, $190,000 (Feb.).

Louisville & Nashville RR., 1⅝% equip. trust certificates, 1942-1951, $4,970,000 (May).

Middle States Telephone Co. of Ill., 1st mtge. 3½% bonds, 1966, $1,100,000 (March).

Middle States Telephone Co. of Ill., 3% debs., 1942-1950, $200,000 (March).

Middle Western Telephone Co., coll. trust s. f. 4% debs., 1951, $425,000 (Dec.).

Minnesota Valley Canning Co., s. f. 3½% debs., 1956, $1,000,000 (June)

Mississippi Power Co., 1st mtge. bonds, 3⅛% series, 1971, $7,060,000 (Oct.).

Mississippi Public Service Co., 1st mtge. bonds, series A 4%, 1956,$500,000 (Feb.).

Missouri Pacific RR., 2¼% equip. trust certificates, series GG, 1956, $4,185,000 (Oct.).

Missouri Utilities Co., 1st mtge. bonds, series A 3½%, 1971, $3,150,000 (Sept.).

Mock, Judson, Voehringer Co., 3½% s. f. debs., series B, 1953, $600,000 (April).

Mock, Judson, Voehringer Co., 2% s. f. debs., series A, 1944, $150,000 (April).

Montour RR., 1.04% equip. trust certificates, 1942-1946, $500,000 (May).

Morgantown Water Co., 1st mtge. bonds, 3½% series B, 1971, $650,000 (May).

National Cylinder Gas Co., 10-year 2⅝% s. f. debs., 1951, $1,500,000 (Sept.).

National Gypsum Co., 3% s. f. debs., 1955, $1,000,000 (Dec.).

National Union Radio Corp., 3% debs., 1944, $125,000 (Nov.).

Neiman-Marcus Co., Dallas, Texas, 1st mtge. 4% bonds, due monthly to 1957, $900,000 (Jan.).

Neisner Bros. Realty, Inc., guaranteed serial (1%-3.60%) debs., due serially to Nov. 1, 1953, $2,200,000 (Nov.).

New Hampshire Gas & Electric Co., 1st mtge. 3½% bonds, series B, 1971, $1,000,000 (Sept.).

New Haven Water Co., gen. & ref. mtge. 3⅛% bonds, series C, 1976, $550,000 (Sept.).

New Mexico Power Co., 1st mtge. bonds, 3½% series, 1966, $2,000,000 (June).

Newport Gas Light Co., 1st mtge. 3¼% bonds, 1961, $400,000 (Oct.).

New York Central RR., 1⅞% equip. trust certificates, $6,540,000 (Feb.).

New York New Haven & Hartford RR., 1¾% equip. trust certificates, 1942-1951, $2,890,000 (June).

New York State Electric & Gas Corp., 1st mtge. 3¼% bonds, 1971, $35,393,000 (July).

New York Trap Rock Corp., 1st mtge. 4% 10-year s. f. bonds, $3,500,000 (Oct.).

North American Car Corp., 3-3½% equip. trust certificates, 1940 series, 1941-1948, $4,790,000 (Jan.).

Northern Pacific Ry., 1¾% equip. trust certificates, due serially, 1 to 10 years, $3,000,000 (Jan.).

Northern Pacific Ry., 2% equip. trust certificates, series B, 1942-1951, $5,700,000 (June).

Northwestern Light & Power Co., 1st mtge. 4% bonds, series A, 1966, $1,200,000 (Dec.).

Northwestern Wisconsin Electric Co., 1st mtge. 3¾% s. f. bonds, series B, 1954, $75,000 (Nov.).

Ohio Telephone Service Co., 1st mtge. s. f. 3½% bonds, series A, 1966, $870,000 (June).

Oklahoma Natural Gas Co., 1st mtge. 3% bonds, series C, 1956, $4,500,000 (Aug.).

Otter Tail Power Co., 1st mtge. bonds, 3% series, 1971, $200,000 (Nov.).

Otter Tail Power Co., 30-year 1st mtge. 3% bonds, 1971, $5,600,000 (Sept.).

Panhandle Eastern Pipe Line Co., serial notes (int. 0.75%-1.50%), 1942-1945, $5,000,000 (Jan.).

Panhandle Eastern Pipe Line Co., 1st mtge. & 1st lien bonds, series A (int. 1.65%-2.30%), 1946-1950, $6,250,000 (Jan.).

Panhandle Refining Co., 6-year guaranteed s. f. 4½% secured notes, 1947, $800,000 (Oct.).

Panther Valley Water Co., 1st mtge. 3¾% bonds, 1966, $1,000,000 (Dec.).

Paramount Pictures, Inc., 3¼% conv. debs., 1947, $2,492,800 (Feb.).

Pennsylvania Gas & Electric Co., 4½% 1st lien & ref. bonds, 1942-1951, $550,000 (April).

Penobscot County Water Co., 1st mtge. 3½% bonds, 1966, $316,000 (May).

Peoples Gas Co., Port Arthur, Texas, 1st mtge. 3½% 20-year s. f. bonds, $700,000 (Oct.).

Peoples Gas Light & Coke Co., 1st & ref. mtge. 3¼% bonds, series E, 1966, $22,000,000 (Aug.).

Peoples Gas Light & Coke Co., 1st & ref. mtge. 3% bonds, series F, 1956, $15,000,000 (Aug.).

Peoples Telephone Co., 1st 4¼% bonds, series A, 1965, $700,000 (July).

Peoria Water Works Co., 1st mtge. bonds, series A 3½%, 1971, $4,000,000 (May).

Philadelphia Suburban Water Co., 10-year notes (int. 0.38%-2¼%), $150,000 annually, $1,500,000 (Jan.).

Philadelphia Suburban Water Co., 1st mtge. 30-year 3¼% bonds, 1971, $15,900,000 (Jan.).

Philadelphia Transportation Co., equip. trust certificates, series C, (int. 1¼, 1¾, 2¼, 2½%), 1942-1946, $1,360,000 (June).

Pittsburgh Coke & Iron Co., 1st mtge. bonds, 4½% series A, 1952, $750,000 (Oct.).

Plainfield-Union Water Co., 1st mtge. 3¼% bonds, series A, $1,950,000 (April).

Poor & Co., 10-year serial debs., $1,000,000 (Feb.).

Public Electric Light Co., St. Albans, Vt., 3¾% 1st mtge. bonds, series D, $100,000 (Oct.).

Public Service Co. of Indiana, 1st mtge. bonds, series B 3½%, 1971, $4,650,000 (April).

Public Service Co. of Indiana, Inc., 1st mtge. 3⅜% bonds, series C, 1971, $13,200,000 (Dec.).

Public Service Co. of Indiana, Inc., unsecured notes (aver. int. rate 2.6356%) due serially to 1950, $10,000,000 (Dec.).

Rawlins Electric Co., 3½% 1st mtge. bonds, 1966, $200,000 (Nov.).

Rensselaer & Saratoga RR., 1st mtge. 4% bonds, 1961, $2,000,000 (April).

Rheem Mfg. Co., series B s. f. 5% conv. debs., 1948, $500,000 (Jan.).

Rheem Mfg. Co., 15-year s. f. 3½% debs., series A, 1956, $1,500,000 (March).

Richmond Fredericksburg & Potomac RR., gen. mtge. s. f. 3% bonds, 1966, $6,500,000 (Feb.).

Rio Grande Valley Gas Co., 1st mtge. 4% bonds, series A, 1961, $2,900,000 (March).

Riverton Consolidated Water Co., 1st mtge. 3¼% bonds, 1966, $525,000 (May).

Roman Catholic Archbishop of Detroit, 3½% 12-year s. f. notes, 1953, $10,000,000 (Feb.).

Rustless Iron & Steel Corp., 3¼% 15-year s. f. debs., 1956, $2,550,000 (Nov.).

Rustless Iron & Steel Corp., 2¼% notes, 1942-1944, $450,000 (Nov.).

Safeway Stores, Inc., 3¼% 20-year debs., 1961, $14,000,000 (Aug.).

St. Joseph Water Co., 1st mtge. 3½% bonds, 1966, $2,600,000 (Feb.).

Sheridan County Electric Co., 3½% 1st mtge. bonds, 1966, $750,000 (Nov.).

Sonotone Corp., 10-year 4% serial promissory notes, $250,000 (Oct.).

Southeastern Telephone Co., 1st mtge. 3½% bonds, series A, 1971, $450,000 (April).

Southern California Water Co., 1st mtge. 3½% bonds, $300,000 (April).

Southern Ry., 2% equip. trust certificates, series JJ, 1942-1951, $5,625,000 (June).

Southern Ry., 2½% equip. trust certificates, $4,430,000 (Dec.).

Southwest Natural Gas Co., 1st mtge. series A 3¾% bonds, 1956, $1,850,000 (Oct.).

Southwestern Public Service Co., 3¾% 1st mtge. s. f. bonds, series A, 1966, $3,421,000 (May).

(E. R.) Squibb & Sons, 20-year 3¼% s. f. debs., 1961, $5,000,000 (May).

Standard Oil Co. of Ohio, serial debs., 1949-1956 (int. rates, averaging from 2.65% to 3%), $5,000,000 (May).

Sun Oil Co., 10-year 2¼% debs., 1951, $10,000,000 (March).

Sun Oil Co., 2¼% debs., 1951, $10,000,000 (April).

Terre Haute Gas Corp., 1st mtge. 4% 15-year s. f. bonds, 1956, $720,000 (June).

Texarkana Water Corp., 1st mtge. 3½% bonds, 1966, $1,100,000 (Feb.).

Texas Gas & Power Corp., 1st mtge. 4% bonds, 1956, $350,000 (June).

Texas Gas & Power Corp., common stock, $166,000 (June).

Texas Water Co., 1st 4½s, series A, 1965, $350,000 (Jan.).

Trinidad (Colo.) Electric Transmission, Railway & Gas Co., 3½% 1st mtge. bonds, 1966, $1,600,000 (Nov.).

Tucson Gas, Electric Light & Power Co., 1st mtge. bonds, 3½% series, 1966, $3,500,000 (June).

Tubize Chatillon Corp., 15-year 3½% debs., $5,000,000 (Oct.).

Union Bag & Paper Co., 2⅞% serial notes, 1942-1952 ($4,600,000 (Sept.).

Union Pacific RR., 1½% equip. trust certificates, series F, 1942-1956, $12,570,000 (Jan.).

United Telephone Co., Inc. (Ind.), 1st mtge. s. f. 3½% bonds, series A, 1965, $1,975,000 (Jan.).

Victor Products Corp., 5% s. f. deb. notes, series A, 1945, $54,500 (May).

Virginia Electric & Power Co., 3⅛% 1st & ref. mtge. bonds, series C, 1971, $3,000,000 (Feb.).

West Virginia Water Service Co., 1st mtge. 3¼% bonds, series due 1966, $500,000 (March).

Western New York Water Co., 1st mtge. s. f. bonds, 3¾% series, 1966, $3,000,000 (Oct.).

Western New York Water Co., 3¾% s. f. notes, 1956, $1,400,000 (Oct.).

Western Pacific RR., 1¾% equip. trust certificates, 1942-1951, $2,650,000 (July).

Westmoreland Water Co., 1st mtge. 3½% bonds, series A, 1966, $2,775,000 (March).

Wheeling & Lake Erie Ry., 1½% equip. trust certificates, 1942-1951, $800,000 (May).

Wichita Water Co., 1st mtge. bonds, series A 3⅝%, 1971, $3,000,000 (May).

Williamsport Water Co., 1st mtge. bonds, series A, 3⅝%, 1971, $2,400,000 (May).

Wisconsin Power & Light Co., 3% serial notes, 1949-1951, $2,500,000 (Aug.).

Worthington Pump & Machinery Corp., 4% s. f. debs., 1947, $2,600,000 (Sept.).

PRIVATE CORPORATE FINANCING

		First 6 Months	*Last 6 Months*	*Total Year*
1941—	Number of issues	125	74	199
	Volume	$533,812,300	$396,195,000	$930,007,300
	Percent of total volume	37.8	33.8	36.0
1940—	Number of issues	65	92	157
	Volume	$326,959,904	$507,580,385	$834,540,289
	Percent of total volume	29.6	30.6	30.2
1939—	Number of issues	66	71	137
	Volume	$309,980,000	$418,577,500	$728,557,500
	Percent of total volume	30.7	35.3	33.2
1938—	Number of issues	51	76	127
	Volume	$229,828,780	$450,683,000	$680,511,780
	Percent of total volume	33.8	30.8	31.8
1937—	Number of issues	64	53	117
	Volume	$305,991,000	$150,311,094	$456,302,094
	Percent of total volume	17.1	23.3	18.7

Farm Loan and Government Agency Financing in 1941

Financing by this group reached a total volume of $1,969,030,000 in 1941, an amount exceeded in only one other year, 1939, when issues totaling $2,461,560,325 were brought out. It has only been in the past decade that financing by this classification has reached anything like the huge proportions of the past year. The large issues brought out by the great Federal agencies like the RFC, which were created in that priod, have converted this from a minor to a major division in our compilation. It is likely, however that the group may hereafter revert to its former status of relative unimportance for a new policy put into effect by the Treasury last October provides for the monetary needs of these agencies to be taken care of, during the emergency at least, by direct United States Treasury issues instead of by the sale of their own guaranteed obligations. In pursuance of this new system the Treasury met maturities of some $500,000,000 CCC and RFC notes last October through exchange offers of its own notes. And it has been announced that the Treasury will refund several other agency issues in January, 1942, with its own obligations.

It is contemplated that all guaranteed issues will eventually be converted into Treasury issues leaving only one kind of Federal obligations in the market. Secretary Morgenthau has said that the purpose is to reduce the number of financing operations and simplify the stiff financing program in prospect.

Foreign Issues Placed in the United States

Following we present our usual annual summary of foreign security issues placed in the United States by both corporations and governmental bodies. A single issue of this character was placed during 1941 which was, in fact, the only foreign issue sold in the United States since the start of the European conflict in September 1939. The lone issue was sold here in March last by the Republic of Panama in connection with the readjustment of its external debt at that time. The amount involved was only $4,000,000. Except for 1940, when no foreign issues were placed in the United States, last year's total was by far the smallest of any year in the period, since 1919, in which we have compiled the figures.

In the past decade or so foreign issues have been of only modest size but in the period 1924 to 1930 inclusive a really important volume of financing was undertaken here by foreign municipal and corporate entities. In those seven years an aggregate of $9,119,051,306 such issues were floated while from 1919 to date the grand total has been $12,988,551,638.

Following is a summary of the yearly figures since 1919:

GRAND SUMMARY OF FOREIGN ISSUES PLACED IN UNITED STATES (INCLUDING CANADA, ITS PROVINCES AND MUNICIPALITIES)

Calendar Years	*New Capital*	*Refunding*	*Total*
1941	------------	$4,000,000	$4,000,000
1940	------------	------------	------------
1939	$59,250,000	87,750,000	147,000,000
1938	25,062,500	40,000,000	65,062,500
1937	3,250,000	219,000,000	222,250,000
1936	23,000,000	156,500,000	179,500,000
1935	------------	116,000,000	116,000,000
1934	------------	61,200,000	61,200,000
1933	133,332	61,600,000	61,733,332
1932	26,015,000	40,000,000	66,015,000
1931	253,722,000	14,500,000	268,222,000
1930	1,009,213,390	126,566,000	1,135,779,390
1929	757,837,569	22,032,717	779,870,286
1928	1,319,167,987	257,652,913	1,576,820,900
1927	1,561,119,925	163,564,500	1,724,684,425
1926	1,145,099,740	204,693,300	1,349,793,040
1925	1,086,160,500	221,147,000	1,307,307,500
1924	996,570,320	248,225,445	1,244,795,765
1923	280,274,600	79,941,679	360,216,279
1922	634,511,034	125,265,000	759,776,034
1921	527,517,000	50,000,000	577,517,000
1920	383,450,887	138,998,000	522,448,887
1919	342,130,300	263,429,000	605,559,300

Issues Not Representing New Financing

It happens from time to time that owners of large blocks of securities which have been outstanding for some time, desiring to liquidate all or part of their holdings, prefer to do so by making a public offering of the securities involved.

Since the start of the European War, these offerings have been extraordinarily large in some months, chiefly due, no doubt, to the activities of the British Government in liquidating the American securities which it sequestered from its nationals. In June, 1941, legislation was enacted authorizing the Reconstruction Finance

Corporation to make loans to foreign governments collateralized by American securities. Under this authority large loans have been made to Great Britain by the corporation and this has evidently been responsible for a marked reduction in the volume of secondary offerings in the latter half of 1941 as compared with the first half. Nevertheless, the total for the second six months of the year, $139,866,169, was more than the entire year 1940. In all of 1941, the secondary distributions which have come to our notice, had an aggregate value of $389,569,510, compared with $126,330,104 in 1940 and $66,876,758 in 1939.

Of course, these transactions are no different, in effect, from the sales of such securities on one of the exchanges or in the over-the-counter market, and the companies whose securities are involved receive no part of the proceeds of the sales. Such offerings as these have no place in our compilations of *new* issues, but we have tabulated them separately for whatever interest they may have on their own account, and present the results in the table below:

ISSUES NOT REPRESENTING NEW FINANCING

	1941	1940	1939	1938	1937
	$	$	$	$	$
January	60,081,270	14,726,274	9,919,270	611,334	8,008,000
February	22,145,201	5,953,125	1,702,750	-------	4,641,113
March	38,916,634	12,855,884	2,525,696	22,096,368	12,451,695
April	36,377,356	28,876,706	5,721,524	4,318,088	12,459,292
May	82,102,729	279,655	3,162,305	1,025,000	4,287,175
June	10,080,151	251,500	12,199,818	3,965,000	7,085,183
Total, 6 mos.	249,703,341	62,943,144	35,231,363	32,015,790	48,932,458
July	16,782,675	7,127,500	3,757,564	343,750	8,962,985
August	29,858,878	25,487,816	14,499,172	1,572,000	4,405,762
September	51,683,537	742,500	1,250,175	3,546,765	1,833,091
October	11,851,252	5,547,372	5,259,100	11,573,907	-------
November	8,609,530	8,951,969	1,164,950	4,867,500	110,000
December	21,080,297	15,529,803	5,714,434	11,833,750	417,885
Total, cal. year	389,569,510	126 330,104	66,876,758	65,753,462	64,662,181

Treasury Financing in December and the Calender Year 1941

Public financing of the United States Treasury in December, the first month of war, reached the huge aggregate of $3,282,547,589, the greatest of any month last year except October when the total amounted to $3,451,125,399. The portion of last month's financing representing new indebtedness, $2,780,391,589, however, topped all other months of 1941 including October. The chief financing operation of the month and perhaps the largest cash offering since the last war was the sale to the public early in the month of $1,602,317,150 2% and 2½% Treasury bonds. The issue was well received and was oversubscribed several times. Other fund raising means employed by the Treasury included weekly bill offerings in excess of maturities and the continuing sales of Defense Savings Bonds and Tax Series Notes and, to a small extent, Depositary Bonds. Defense bonds enjoyed the greatest sales volume, $536,285,664, of any month since they were first offered last May. Up until last month, the first month's sales of $374,777,142, remained the largest and November's sales of $238,468,536 were only barely higher than the smallest. Demand for savings bonds in December was stimulated by the Japanese attack on our outlying possessions and by purchases of bonds for Christmas gifts.

The bill offering in the first week of December, as in the final two weeks of the previous month, was for about $100,000,000 above the week's maturities. The amount of new money raised through this medium was reduced to about $50,000,000 per week in the succeeding weeks of the month. In order to have substantial maturities in the period in March, when tax collections will be heavy, the Treasury shortened the bills dated Dec. 24 to 82 day obligations and those dated Dec. 31 to 76 days. It is planned that about $300,000,000 bills will mature in the week of March 16.

Yields on the bills sold last month continued to rise although not so markedly as in November when the last issue's yield of 0.267% compared with October's last of 0.067%. December's last and highest was 0.310% and it is necessary to go back to October 1937 to find a higher yield.

The year 1941 saw a rise in the gross debt of the United States from $45,024,631,488 to $57,938,123,097, thereby dwarfing the rises in all the depression years of the thirties and, in fact, having no precedent other than the first World War period when the debt rose from $2,712,549,477 June 30, 1917 to $25,234,496,273 June 30, 1919. Of course in a period like the present, when the nation is engaged in a major war, debt increases must remain as secondary considerations to the successful prosecution of the conflict. And with this in mind we must accept the obvious prospect of greater and greater future advances in the public indebtedness until we have achieved a final victory.

The figures noted are only the direct indebtedness and do not reflect the Federal agency debt which amounted to $5,901,357,155 at the end of 1940 and $6,316,593,955 at the close of 1941. It was announced in October, 1941, that this debt would be converted into Federal obligations in order to simplify the war finance program. The first step in this direction was taken in the same month with the offering of Treasury notes for maturing RFC and CCC notes and later it was announced that further conversions would be arranged in January, 1942. The October exchange was accountable for $502,983,000 of the year's increase in direct Federal indebtedness.

Last February the limitation on Federal indebtedness was raised from $49,000,000,000 to $65,000,000,000 and before the year-end Secretary of the Treasury Morgenthau pointed out that a further increase would be necessary in the near future. This is only too obvious since merely converting the total guaranteed debt into direct debt would raise the Federal debt close to the present limitation. Under the same law, last February all Federal direct and agency obligations issued after March 1, 1941, were made subject to all Federal taxes.

In May, 1941, the new defense savings bonds were placed on sale and these brought in about $2,609,317,607 during the year. Tax anticipation notes placed on sale in August resulted in total sales of $2,479,375,900. Depositary bonds, another new type of security but one not expected to be sold in great quantities, were sold in an aggregate of $63,746,000 up to the end of 1941. The balance of the year's financing was in the customary Treasury bonds, notes and bills.

In the tabulations which follow we outline the Treasury's financing activities in the current year.

UNITED STATES TREASURY FINANCING DURING 1941

Date Offered	*Dated*	*Due*	*Amount Applied for*	*Amount Accepted*	*Price*	*Yield*
			$	$		
First 6 months total				8,675,484,647		
June 27	July 2	91 days	281,145,000	100,880,000	99.978	*0.087%
July 3	July 9	91 days	281,732,000	100,048,000	99.976	*0.097%
July 11	July 16	91 days	306,089,000	100,337,000	99.975	*0.097%
July 18	July 23	91 days	292,758,000	100,127,000	99.975	*0.098%
July 25	July 30	91 days	266,617,000	100,015,000	99.976	*0.094%
J'ly1-31	July 1	10-12 yrs.	353,510,582	353,510,582	a	a
J'ly1-31	June 1	12 years	40,214,000	40,214,000	100	2%
July total				895,131,582		
Aug. 1	Aug. 6	91 days	293,242,000	100,232,000	99.973	*0.106%
Aug. 8	Aug. 13	91 days	288,823,000	100,118,000	99.971	*0.114%
Aug. 15	Aug. 20	91 days	297,444,000	100,227,000	99.971	*0.116%
Aug. 22	Aug. 27	91 days	327,055,000	100,799,000	99.971	*0.114%
Aug1-31	Aug. 1	10-12 yrs.	271,277,566	271,277,566	a	a
Aug1-31	June 1	12 years	11,435,550	11,435,550	100	2%
Aug1-31	Aug. 1	2 years	1,037,124,525	1,037,124,525	100	b
Aug. total				1,721,213,641		
Aug. 27	Sept. 3	91 days	383,608,000	100,369,000	99.977	*0.090%
Sept. 5	Sept. 10	91 days	439,541,000	100,957,000	99.982	*0.071%
Sept. 12	Sept. 17	91 days	493,411,000	100,043,000	99.987	*0.050%
Sept. 19	Sept. 24	91 days	404,215,000	100,742,000	99.991	*0.037%
Sep1-30	Sept. 1	10-12 yrs.	238,389,482	238,389,482	a	a
Sep1-30	June 1	12 yrs.	2,145,450	2,145,450	100	2%
Sep1-30	Aug. 1	2 yrs.	305,927,000	305,927,000	100	b
Sept. total				948,572,932		
Sept. 26	Oct. 1	91 days	182,005,000	100,045,000	99.984	*0.062%
Oct. 3	Oct. 8	91 days	368 817,000	100,433,000	99.9996	*0.002%
Oct. 10	Oct. 15	91 days	217,616,000	100,207,000	99.9998	*0.001%
Oct. 17	Oct. 22	91 days	303,852,000	150,185,000	99.994	*0.024%
Oct. 24	Oct. 29	91 days	269,407,000	150,010,000	99.983	*0.067%
Oct. 9 c	Oct. 20	31 yrs.	10445,341,100	1,307,419,400	100	2½%
Oct. 9 d	Oct. 20	31 yrs.	93,256,950	93,256,950	100	2½%
Oct. 9 e	Oct. 20	31 yrs.	188,971,200	188,971,200	100	2½%
Oct. 23	Nov. 1	4 yrs. 4½ mos	502,983,000	502,983,000	100	1%
Oct 1-31	Oct. 1	10-12 yrs.	275,876,224	275,876,224	a	a
Oct 1-31	June 1	12 yrs.	7,056,000	7,056,000	100	2%
Oct 1-31	Aug. 1	2 yrs.	474,682,625	474,682,625	100	b
Oct. total				3,451,125,399		
Oct. 29	Nov. 5	91 days	199,998,000	150,098,000	99.962	*0.151%
Nov. 5	Nov. 12	91 days	313,335,000	150,018,000	99.950	*0.200%
Nov. 13	Nov. 19	91 days	439,350,000	200,167,000	99.935	*0.258%
Nov. 21	Nov. 26	91 days	466,603,000	200,026,000	99.932	*0.267%
Nov 1-30	Nov. 1	10-12 yrs.	238,468,536	238,468,536	a	a
Nov 1-30	June 1	12 years	1,320,000	1,320,000	100	2%
Nov 1-30	Aug. 1	2 years	319,776,475	319,776,475	100	b
Oct. 9d	Oct. 20	31 years	5,680,600	5,680,600	100	2½%
Nov. total				1,265,554,611		
Nov. 28	Dec. 3	91 days	468,160,000	200,156,000	99.939	*0.242%
Dec. 5	Dec. 10	91 days	403,171,000	150,027,000	99.926	*0.293%
Dec. 12	Dec. 17	91 days	382,650,000	150,040,000	99.925	*0.295%
Dec. 19	Dec. 24	82 days	352,938,000	150,174,000	99.933	*0.295%
Dec. 26	Dec. 31	76 days	317,107,000	150,004,000	99.935	*0.310%
Dec. 4c	Oct. 20	31 years	6,979,193,950	1,069,599,300	100	2½%
Dec. 4d	Oct. 20	31 years	103.500	103.500	100	2½%
Dec. 4	Dec. 15	14 years	4,727,898,150	532,717,850	100	2%
Dec 1-31	Dec. 1	10-12 yrs.	536,285,664	536,285,664	a	a
Dec 1-31	June 1	12 years	1,575,000	1,575,000	100	2%
Dec.1-31	Aug. 1	2 years	341,865,275	341,865,275	100	b
Dec. total				3,282,547,589		
Total 12 mos.				20239 630.401		

* Average rate on a bank discount basis. a Comprised of three separate series, of which series E have 10-year maturity, are sold on a discount basis at 75, and yield 2.90%; series F have a 12-year maturity, are sold on a discount basis, at 74, and yield 2.53%; and series G have a 12-year maturity, are sold at 100, and bear 2½% interest. b Comprised of two separate issues, designated Treasury notes of tax series A-1943 and tax series B-1943; series A earn about 1.92% a year and series B. about 0.48%. c Public cash offering. d Allotted to Government investment accounts. e Public exchange offering.

USE OF FUNDS

Dated	*Type of Security*	*Total Amount Accepted*	*Refunding*	*New Indebtedness*
		$	$	$
First 6 months total		8,675,484,647	5,325,806,200	3,349,678,447
July 2	91-day Treas. bills	100,880,000	100,880,000	----------
July 9	91-day Treas. bills	100,048,000	100,048,000	----------
July 16	91-day Treas. bills	100,337,000	100,337,000	----------
July 23	91-day Treas. bills	100,127,000	100,127,000	----------
July 30	91-day Treas. bills	100,015,000	100,015,000	----------
July 1	U. S. Savings bonds	353,510,582	----------	353,510,582
June 1	Depositary bonds	40,214,000	----------	40,214,000
July total		895,131,582	501,407,000	393,724,582
Aug. 6	91-day Treas. bills	100,232,000	100,232,000	----------
Aug. 13	91-day Treas. bills	100,118,000	100,118,000	----------
Aug. 20	91-day Treas. bills	100,227,000	100,227,000	----------
Aug. 27	91-day Treas. bills	100,799,000	100,799,000	----------
Aug. 1	U. S. Savings bonds	271,277,566	----------	271,277,566
June 1	Depositary bonds	11,435,550	----------	11,435,550
Aug. 1	Tax anticipat'n notes	1,037,124,525	----------	1,037,124,525
August total		1,721,213,641	401,376,000	1,319,837,641
Sept. 3	91-day Treas. bills	100,369,000	100,369,000	----------
Sept. 10	91-day Treas. bills	100,957,000	100,957,000	----------
Sept. 17	91-day Treas. bills	100,043,000	100,043,000	----------
Sept. 24	91-day Treas. bills	100,742,000	100,742,000	----------
Sept. 1	U. S. Savings bonds	238,389,482	----------	238,389,482
June 1	Depositary bonds	2,145,450	----------	2,145,450
Aug. 1	Tax anticipat'n notes	305,927,000	----------	305,927,000
September total		948,572,932	402,111,000	546,461,932
Oct. 1	91-day Treas. bills	100,045,000	100,045,000	----------
Oct. 8	91-day Treas. bills	100,433,000	100,433,000	----------
Oct. 15	91-day Treas. bills	100,207,000	100,207,000	----------
Oct. 22	91-day Treas. bills	150,185,000	100,127,000	50,058,000
Oct. 29	91-day Treas. bills	150,010,000	100,015,000	49,995,000
Oct. 20 c	2½% Treas. bonds	1,307,419,400	----------	1,307,419,400
Oct. 20 d	2½% Treas. bonds	93,256,950	----------	93,256,950
Oct. 20 e	2½% Treas. bonds	188,971,200	188,971,200	----------
Nov. 1	1% Treas. notes	502,983,000	502,983,000	----------
Oct. 1	U. S. Savings bonds	275,876,224	----------	275,876,224
June 1	Depositary bonds	7,056,000	----------	7,056,000
Aug. 1	Tax anticipat'n notes	474,682,625	----------	474,682,625
October total		3,451,125,399	1,192,781,200	2,258,344,199
Nov. 5	91-day Treas. bills	150,098,000	100,232,000	49,866,000
Nov. 12	91-day Treas. bills	150,018,000	100,118,000	49,900,000
Nov. 19	91-day Treas. bills	200,167,000	100,227,000	99,940,000
Nov. 26	91-day Treas. bills	200,026,000	100,799,000	99,227,000
Nov. 1	U. S. Savings bonds	238,468,536	----------	238,468,536
June 1	Depositary bonds	1,320,000	----------	1,320,000
Aug. 1	Tax anticip'n notes	319,776,475	----------	319,776,475
Oct. 20 d	2½% Treas. bonds	5,680,600	----------	5,680,600
November total		1,265,554,611	401,376,000	864,178,611
Dec. 3	91-day Treas. bills	200,156,000	100,369,000	99.787,000
Dec. 10	91-day Treas. bills	150,027,000	100,957,000	49,070,000
Dec. 17	91-day Treas. bills	150,040,000	100,043,000	49,997,000
Dec. 24	82-day Treas. bills	150,174,000	100,742,000	49,432,000
Dec. 31	76-day Treas. bills	150,004,000	100,045,000	49,959,000
Oct. 20 c	31 years	1,069,599,300	----------	1,069,599,300
Oct. 20 d	31 years	103,500	----------	103,500
Dec. 15	14 years	532,717 850	----------	532,717,850
Dec. 1	U. S. Savings bonds	536,285,664	----------	536,285,664
June 1	Depositary bonds	1,575,000	----------	1,575,000
Aug. 1	Tax anticip'n notes	341,865,275	----------	341,865,275
December total		3,282,547,589	502,156,000	2,780,391,589
Total 12 months		20,239,630,401	8,727,013,400	11,512,617,001

c Public cash offering. d Allotted to Government investment accounts. e Public exchange offering.

* INTRA-GOVERNMENT FINANCING

1941	*Issued*	*Retired*	*Net Issued*
	$	$	$
First six months total	3,497,287,000	2,746,792,000	750,495,000
July—			
Certificates	70,000,000	10,300,000	59,700,000
Notes	155,348,000	11,527,000	143,821,000
July total	225,348,000	21,827,000	203,521,000
August—			
Certificates	146,000,000	-------	146,000,000
Notes	17,050,000	17,043,000	7,000
August total	163,050,000	17,043 000	146,007,000
September—			
Certificates	10,000,000	10,150,000	x150,000
Notes	212,219,000	23,585,000	188,634,000
September total	222,219,000	33,735,000	188,484,000
October—			
Certificates	64,000,000	5,300,000	58,700,000
Notes	32,989,000	86,028,000	x53,039,000
October total	96,989,000	91,328,000	5,661,000
November—			
Certificates	168,000,000	-------	168,000,000
Notes	1,822,000	27,067,000	x25,245,000
November total	169,822,000	27,067,000	142,755,000
December—			
Certificates	46,000,000	20,000,000	26,000,000
Notes	218,484,000	69,316,000	149,168,000
December total	264,484,000	89,316,000	175,168,000
Total 12 months	4,639,199,000	3,027,108,000	1,612,091,000

* Comprises sales of special series certificates and notes; certificates sold to Adjusted Service Certificates Fund and Unemployed Trust Fund, and notes to Federal Old Age and Survivors Insurance Trust Account, Civil Service Retirement Fund, Foreign Service Retirement Fund, Canal Zone Retirement Fund, Alaska Railroad Retirement Fund, Postal Savings System, Government Life Insurance Fund, National Service Life Insurance Fund, Federal Deposit Insurance Corporation, and Federal Savings & Loan Insurance Corporation x Excess of retirements.

In the comprehensive tables on the succeeding pages we compare the December and the 12 months' figures with those for the corresponding periods in the four years preceding, thus affording a five-year comparison.

Following the full-page tables, we give complete details of the capital flotations during December, including every issue of any kind brought out in that month.

Details of New Capital Flotations During December, 1941

LONG-TERM BONDS AND NOTES (ISSUES MATURING LATER THAN FIVE YEARS)

RAILROADS

$3,800,000 **Chicago & North Western Ry.** 2⅜% equipment trust certificates due 1943-1952. Purpose, purchase of equipment. Priced to yield 0.85% to 2.60%, according to maturity. Offered by Harris, Hall & Co., Inc.; Drexel & Co.; Alex. Brown & Sons; Equitable Securities Corp.; Tucker, Anthony & Co.; The Illinois Co. of Chicago; The Milwaukee Co., and McMaster, Hutchinson & Co.

18,465,000 **Pennsylvania RR.** 2⅜% equipment trust certificates, series M, due 1943-57. Purpose, purchase of equipment. Priced to yield from 0.75% to 2.60%, according to maturity. Offered by Salomon Bros. & Hutzler; Wertheim & Co.; Dick & Merle-Smith, and Stroud & Co., Inc.

*4,430,000 **Southern Pacific Co.** 2½% equipment trust certificates. Purpose, purchase of equipment. Awarded to The First Boston Corp.; Harriman, Ripley & Co., Inc.; F. S. Moseley & Co., and Kidder, Peabody & Co., and placed privately.

1,050,000 **Wheeling & Lake Erie Ry.** (0.50%-2⅛%) equipment trust certificates, due 1943-1952. Purpose, purchase of equipment Priced to yield from 0.625% to 2.10%, according to maturity. Offered by Salomon Bros. & Hutzler; Dick & Merle-Smith, and Stroud & Co., Inc.

$27,745,000

PUBLIC UTILITIES

*$267,000 **Albuquerque Gas & Electric Co.** 3½% 1st mtge. bonds due 1966. Purpose, acquisition of properties. Price, 104¼ and interest. Sold privately to John Hancock Mutual Life Insurance Co.

*1,000,000 **Central Maine Power Co.** 1st & gen. mtge. bonds, series L, 3½% due 1970. Purpose, finance business of company. Price, 111 and interest. Sold privately to Aetna Life Insurance Co. and New England Mutual Insurance Co. through Coffin & Burr, Inc.

*425,000 **Middle Western Telephone Co.** collateral trust sinking fund 4% debentures due Dec. 1, 1951. Purpose, refunding. Sold privately to one institutional investor.

1,400,000 **Mobile Gas Service Corp.** 1st mtge. bonds, 3¾% series due 1961. Purpose, refunding. Price, 104.68 and interest. Offered by The First Boston Corp.; The Robinson-Humphrey Co.; Granbery, Marache & Lord; Starkweather & Co.; Lamar, Kingston & Labouisse; Ward, Sterne, Agee & Leach, and Shropshire & Co.

3,700,000 **North Shore Gas Co.** 1st mtge. 4¼% bonds, series A, due Dec. 1, 1961. Purpose, refunding. Price, 101 and interest. Offered by Central Republic Co. (Inc.); E. H. Rollins & Sons, Inc.; Stern, Wampler & Co., Inc.; Coffin & Burr, Inc.; A. C. Allyn & Co., and Whiting, Weeks & Stubbs.

700,000 **North Shore Gas Co.** 2¼%-3¾% serial notes, due 1942-48. Purpose, refunding. Priced to yield from 1% to 3.95%, according to maturity. Offered by same bankers as offered the $3,700,000 4¼% bonds (which see).

*1,200,000 **Northwestern Light & Power Co.** 1st mtge. bonds, series A, 4%, due Aug. 1, 1966. Purpose, refunding. Sold privately to an insurance company through Harris, Hall & Co. (Inc.).

*1,000,000 (The) **Panther Valley Water Co.** 3¾% 1st mtge. bonds due Dec. 1, 1966. Purpose, refund 6% mtge. bonds ($363,000); pay 4½% demand notes ($637,000). The demand

SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE MONTH OF DECEMBER FOR FIVE YEARS

MONTH OF DECEMBER	1941			1940			1939			1938			1937		
	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Corporate—															
Domestic—															
Long-term bonds and notes	41,051,500	50,320,500	91,372,000	44,850,100	292,016,900	336,867,000	21,622,550	189,307,450	210,930,000	44,094,510	226,019,690	270,114,200	26,900,000	11,314,500	38,214,500
Short-term	5,000,000	--------	5,000,000	1,000,000	--------	1,000,000	--------	--------	--------	--------	150,000	150,000	2,200,000	9,200,000	11,400,000
Preferred stocks	13,359,946	1,734,054	15,094,000	9,703,272	38,702,128	48,405,400	3,544,880	4,900,000	8,444,880	11,751,675	10,973,610	22,725,285	9,282,077	200,000	9,482,077
Common stocks	54,250	--------	54,250	6,645,186	3,860,654	10,505,840	5,610,627	1,609,708	7,220,335	3,798,090	--------	3,798,090	8,225,445	137,769	8,363,214
Canadian—															
Long-term bonds and notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Short-term	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Preferred stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Common stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other foreign—															
Long-term bonds and notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Short-term	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Preferred stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Common stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Total corporate	59,465,696	52,054,554	111,520,250	62,198,558	334,579,682	396,778,240	30,778,057	195,817,158	226,595,215	59,644,275	237,143,300	296,787,575	46,607,522	20,852,269	67,459,791
Canadian Government	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other foreign government	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Farm Loan and Govt. agencies	19,520,000	25,100,000	44,620,000	--------	14,300,000	14,300,000	--------	18,600,000	18,600,000	55,000,000	20,250,000	75,250,000	--------	22,700,000	22,700,000
* Municipal—States, cities, &c.	42,014,869	18,272,518	60,287,387	127,562,648	74,968,826	202,531,474	67,892,539	22,222,906	90,115,445	126,457,110	14,812,500	141,269,610	70,286,220	14,936,150	85,222,370
United States Possessions	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	2,625,000	2,625,000	500,000	75,000	575,000
Grand total	121,000,565	95,427,072	216,427,637	189,761,206	423,848,508	613,609,714	98,670,596	236,640,064	335,310,660	241,101,385	274,830,800	515,932,185	117,393,742	58,563,419	175,957,161

* These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE MONTH OF DECEMBER FOR FIVE YEARS

MONTH OF DECEMBER	1941			1940			1939			1938			1937		
	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Long-Term Bonds and Notes—															
Railroads	27,745,000	--------	27,745,000	12,030,000	--------	12,030,000	5,998,000	60,000,000	65,998,000	--------	46,378,000	46,378,000	4,680,000	--------	4,680,000
Public utilities	1,954,000	30,988,000	32,942,000	4,936,000	188,699,000	193,635,000	5,760,000	115,200,000	120,960,000	4,997,750	122,821,850	127,819,600	6,200,000	10,385,000	16,585,000
Iron, steel, coal, copper, &c	--------	--------	--------	6,408,000	15,092,000	21,500,000	7,910,000	--------	7,910,000	434,000	816,000	1,250,000	--------	--------	--------
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other industrial and manufacturing	5,852,500	15,497,500	21,350,000	3,195,000	16,805,000	20,000,000	1,922,550	13,577,450	15,500,000	1,197,160	5,587,840	6,785,000	15,435,000	--------	15,435,000
Oil	--------	--------	--------	--------	--------	--------	--------	--------	--------	37,071,600	50,000,000	87,071,600	--------	929,500	929,500
Land, buildings, &c	--------	3,835,000	3,835,000	--------	1,202,000	1,202,000	32,000	386,000	418,000	394,000	416,000	810,000	385,000	--------	385,000
Rubber	5,000,000	--------	5,000,000	--------	--------	--------	--------	--------	--------	--------	--------	--------	200,000	--------	200,000
Shipping	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	4,000,000	4,000,000	--------	--------	--------	--------	--------	--------	--------	--------	--------
Miscellaneous	500,000	--------	500,000	18,281,100	66,218,900	84,500,000	--------	144,000	144,000	--------	--------	--------	--------	--------	--------
Total	41,051,500	50,320,500	91,372,000	44,850,100	292,016,900	336,867,000	21,622,550	189,307,450	210,930,000	44,094,510	226,019,690	270,114,200	26,900,000	11,314,500	38,214,500
Short-Term Bonds and Notes—															
Railroads	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	200,000	--------	200,000
Public utilities	5,000,000	--------	5,000,000	--------	--------	--------	--------	--------	--------	--------	--------	--------	800,000	9,200,000	10,000,000
Iron, steel, coal, copper, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other industrial and manufacturing	--------	--------	--------	1,000,000	--------	1,000,000	--------	--------	--------	--------	--------	--------	1,200,000	--------	1,200,000
Oil	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Land, buildings, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Rubber	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Shipping	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Miscellaneous	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	150,000	150,000	--------	--------	--------
Total	5,000,000	--------	5,000,000	1,000,000	--------	1,000,000	--------	--------	--------	--------	150,000	150,000	2,200,000	9,200,000	11,400,000
Stocks—															
Railroads	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Public utilities	248,600	351,400	600,000	400,000	32,575,000	32,975,000	--------	4,000,000	4,000,000	1,563,457	3,473,610	5,037,067	825,480	--------	825,480
Iron, steel, coal, copper, &c	--------	--------	--------	--------	--------	--------	500,000	--------	500,000	--------	--------	--------	585,000	--------	585,000
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other industrial and manufacturing	13,165,596	1,382,654	14,548,250	8,453,760	1,677,500	10,131,260	3,755,191	1,637,520	5,392,711	9,098,090	--------	9,098,090	12,950,792	137,769	13,088,561
Oil	--------	--------	--------	--------	--------	--------	--------	--------	--------	1,000,000	--------	1,000,000	--------	--------	--------
Land, buildings, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Rubber	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Shipping	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Miscellaneous	--------	--------	--------	7,494,698	8,310,282	15,804,980	4,900,316	872,188	5,772,504	3,888,218	7,500,000	11,388,218	3,146,250	200,000	3,346,250
Total	13,414,196	1,734,054	15,148,250	16,348,458	42,562,782	58,911,240	9,155,507	6,509,708	15,665,215	15,549,765	10,973,610	26,523,375	17,507,522	337,769	17,845,291
Total—															
Railroads	27,745,000	--------	27,745,000	12,030,000	--------	12,030,000	5,998,000	60,000,000	65,998,000	--------	46,378,000	46,378,000	4,880,000	--------	4,880,000
Public utilities	7,202,600	31,339,400	38,542,000	5,336,000	221,274,000	226,610,000	5,760,000	119,200,000	124,960,000	6,561,207	126,295,460	132,856,667	7,825,480	19,585,000	27,410,480
Iron, steel, coal, copper, &c	--------	--------	--------	6,408,000	15,092,000	21,500,000	8,410,000	--------	8,410,000	434,000	816,000	1,250,000	585,000	--------	585,000
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other industrial and manufacturing	19,018,096	16,880,154	35,898,250	12,648,760	18,482,500	31,131,260	5,677,741	15,214,970	20,892,711	10,295,250	5,587,840	15,883,090	29,585,792	137,769	29,723,561
Oil	--------	--------	--------	--------	--------	--------	--------	--------	--------	38,071,600	50,000,000	88,071,600	--------	929,500	929,500
Land, buildings, &c	--------	3,835,000	3,835,000	--------	1,202,000	1,202,000	32,000	386,000	418,000	394,000	416,000	810,000	385,000	--------	385,000
Rubber	5,000,000	--------	5,000,000	--------	--------	--------	--------	--------	--------	--------	--------	--------	200,000	--------	200,000
Shipping	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	4,000,000	4,000,000	--------	--------	--------	--------	--------	--------	--------	--------	--------
Miscellaneous	500,000	--------	500,000	25,775,798	74,529,182	100,304,980	4,900,316	1,016,188	5,916,504	3,888,218	7,650,000	11,538,218	3,146,250	200,000	3,346,250
Total corporate securities	59,465,696	52,054,554	111,520,250	62,198,558	334,579,682	396,778,240	30,778,057	195,817,158	226,595,215	59,644,275	237,143,300	296,787,575	46,607,522	20,852,269	67,459,791

SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE 12 MONTHS ENDED DEC. 31 FOR FIVE YEARS

12 MONTHS ENDED DEC. 31	1941			1940			1939			1938			1937		
	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total	New Capital	Refunding	Total
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Corporate—															
Domestic—															
Long-term bonds and notes	844,606,068	1,400,909,632	2,245,515,700	589,121,030	1,806,953,270	2,396,074,300	282,184,433	1,521,754,567	1,803,939,000	803,200,120	1,229,093,775	2,032,293,895	769,117,149	809,476,351	1,578,593,500
Short-term	24,247,535	18,081,965	42,329,500	12,010,000	26,561,000	38,571,000	4,510,000	74,300,000	78,810,000	3,582,000	6,908,000	10,490,000	47,816,080	46,873,920	94,690,000
Preferred stocks	90,675,539	125,342,386	216,017,925	61,178,770	185,136,920	246,315,690	25,974,253	135,183,925	161,158,178	47,947,800	30,612,710	78,560,510	204,616,142	263,779,066	468,395,208
Common stocks	77,785,074	802,380	78,587,454	74,072,982	7,543,866	81,616,848	70,784,346	1,974,896	72,759,242	18,556,530	531,254	19,087,784	203,462,842	88,550,609	292,013,451
Canadian—															
Long-term bonds and notes	--------	--------	--------	--------	--------	--------	--------	79,500,000	79,500,000	--------	--------	--------	--------	--------	--------
Short-term	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Preferred stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Common stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other foreign—															
Long-term bonds and notes	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Short-term	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Preferred stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Common stocks	--------	--------	--------	--------	--------	--------	--------	--------	--------	62,500	--------	62,500	--------	--------	--------
Total corporate	1,037,314,216	1,545,136,363	2,582,450,579	736,382,782	2,026,195,056	2,762,577,838	383,453,032	1,812,713,388	2,196,166,420	873,348,950	1,267,145,739	2,140,494,689	1,225,012,213	1,208,679,946	2,433,692,159
Canadian Government	--------	--------	--------	--------	--------	--------	59,250,000	8,250,000	67,500,000	--------	40,000,000	40,000,000	3,250,000	85,000,000	88,250,000
Other foreign government	--------	4,000,000	4,000,000	--------	--------	--------	--------	--------	--------	25,000,000	--------	25,000,000	--------	134,000,000	134,000,000
Farm Loan and Govt. agencies	1,272,120,000	696,910,000	1,969,030,000	460,707,000	343,597,000	804,304,000	924,430,000	1,537,130,325	2,461,560,325	480,850,000	665,197,000	1,146,047,000	157,000,000	280,714,000	437,714,000
* Municipal—States, cities, &c.	520,515,194	437,239,305	957,754,499	751,323,509	482,383,465	1,233,706,974	930,822,000	195,079,000	1,125,901,000	970,613,500	129,144,000	1,099,757,500	711,628,367	190,678,795	902,307,162
United States Possessions	1,500,000	--------	1,500,000	2,125,000	3,200,000	5,325,000	450,000	1,500,000	1,950,000	5,236,000	2,625,000	7,861,000	3,800,000	1,575,000	5,375,000
Grand total	2,831,449,410	2,683,285,668	5,514,735,078	1,950,538,291	2,855,375,521	4,805,913,812	2,298,405,032	3,554,672,713	5,853,077,745	2,355,048,450	2,104,111,739	4,459,160,189	2,100,690,580	1,900,647,741	4,001,338,321

* These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

notes were issued for construction purposes. Price, par. Sold privately through Drexel & Co.

*13,200,000 **Public Service Co. of Indiana, Inc.**, 1st mtge. 3⅜% bonds, series C, due Nov. 1, 1971. Purpose, refunding. Price, 105 and interest. Sold privately to eight insurance companies.

*10,000,000 **Public Service Co. of Indiana, Inc.**, unsecured notes (average interest rate 2.356%), due serially to Dec. 1, 1950. Purpose, refunding. Sold privately to Indiana National, Merchants National, and American National banks of Indianapolis, Chase National Bank of New York, Continental Illinois National Bank & Trust Co., and Harris Trust & Savings Bank, Chicago, Travelers Insurance Co. and Northwestern Mutual Life Insurance Co.

50,000 **South Carolina Gas Co.** 1st mtge 5% serial bonds due 1943-1971. Purpose, expansion, &c. Offered by Ray T. Haas, Chicago.

$32,942,000

OTHER INDUSTRIAL

$4,000,000 **Food Machinery Corp.** 3% sinking fund debentures, due 1956. Purpose, pay bank loans of $2,100,000 (incurred for redemption of 4½% preferred stock), working capital ($1,900,000). Price, 100 and interest. Offered by Kidder, Peabody & Co., and Mitchum, Tully & Co.

2,500,000 **General Shoe Corp.** 15-year 3¼% sinking fund debentures, due 1956. Purpose, general corporate purpose. Price, 99 and interest. Offered by Smith, Barney & Co.; Equitable Securities Corp., and Alfred D. Sharp (Nashville).

*850,000 **Hilton-Davis Chemical Co.** 12-year 4% notes. Purpose, refunding ($357,500), pay current borrowing and working capital. Sold privately to Equitable Life Assurance Society of the United States through Distributors Group, Inc.

*13,000,000 **Loew's, Inc.** 3% 15-year debentures. Purpose, refunding. Sold privately to Massachusetts Mutual Life Insurance Co.; Sun Life Assurance Co.; John Hancock Mutual Life Insurance Co.; New England Mutual Life Insurance Co.; Penn Mutual Life Insurance Co.; State Mutual Life Assurance Co.; Union Central Life Insurance Co.; Continental Casualty Co., and Continental Assurance Co.

*1,000,000 **National Gypsum Co.** 3% sinking fund debentures, due Dec. 1, 1955. Purpose, working capital. Sold privately through W. E. Hutton & Co.

$21,350,000

RUBBER

*$5,000,000 **(B. F.) Goodrich Co.** 3% first mortgage bonds, due 1956. Purpose, general corporate purposes. Sold privately to an insurance company through Goldman, Sachs & Co., and Dillon, Read & Co.

REAL ESTATE

*$3,200,000 **Central Investment Corp., Los Angeles**, first mortgage (4¼-4½%) bonds, due serially 1942-1956. Purpose, refunding. Placed privately with Connecticut Mutual Life Insurance Co.

300,000 **The Felician Sisters O. S. F. of Detroit** first ref. mtge. sinking fund (3-3¾%) bonds, series A, due July 1, 1954. Purpose refunding. Price, 101 and interest. Offered by C. Ziegler & Co.

CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE 12 MONTHS ENDED DEC. 31 FOR FIVE YEARS

12 MONTHS ENDED DEC. 31	1941			1940			1939			1938			1937		
	New Capital	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*	*New Capital*	*Refunding*	*Total*
Long-Term Bonds and Notes—	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Railroads	252,071,000	107,705,000	359,776,000	144,456,398	222,832,602	367,289,000	84,958,000	91,138,000	176,096,000	15,993,000	56,378,000	72,371,000	227,100,000	123,649,000	350,749,000
Public utilities	365,960,180	863,632,720	1,229,592,900	239,633,397	879,664,903	1,119,298,300	54,316,372	1,127,207,428	1,181,523,800	265,802,590	928,677,205	1,194,279,795	143,294,187	543,283,815	686,578,000
Iron, steel, coal, copper, &c	9,400,000	62,400,000	71,800,000	12,113,000	349,192,000	361,305,000	17,260,000	94,900,000	112,160,000	155,389,000	5,368,000	160,757,000	88,808,950	44,076,050	132,885,000
Equipment manufacturers	3,440,000	3,498,000	6,938,000	6,250,000	--------	6,250,000	3,900,000	7,000,000	10,900,000	--------	--------	--------	3,420,000	--------	3,420,000
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	5,765,400	4,934,600	10,700,000
Other industrial and manufacturing	93,641,783	142,571,017	236,212,800	44,722,265	114,777,735	159,500,000	39,872,734	45,604,466	85,477,200	92,425,335	44,569,665	136,995,000	103,283,612	38,676,888	141,960,500
Oil	56,319,000	84,656,000	140,975,000	11,800,000	105,500,000	117,300,000	55,373,447	161,726,553	217,100,000	220,982,295	82,689,305	303,671,600	147,897,500	28,277,500	176,175,000
Land, buildings, &c	1,203,000	34,558,000	35,761,000	1,032,800	12,299,200	13,332,000	4,653,880	8,604,120	13,258,000	6,284,900	12,894,600	19,179,500	10,063,000	23,378,000	33,441,000
Rubber	10,400,000	44,600,000	55,000,000	--------	--------	--------	--------	--------	--------	37,173,000	97,827,000	135,000,000	850,000	--------	850,000
Shipping	250,000	--------	250,000	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	1,350,000	4,000,000	5,350,000	2,000,000	19,005,000	21,005,000	4,000,000	--------	4,000,000	250,000	--------	250,000
Miscellaneous	51,921,105	57,288,895	109,210,000	127,763,170	118,686,830	246,450,000	19,850,000	46,069,000	65,919,000	5,150,000	890,000	6,040,000	38,384,500	3,200,500	41,585,000
Total	844,606,068	1,400,909,632	2,245,515,700	589,121,030	1,806,953,270	2,396,074,300	282,184,433	1,601,254,567	1,883,439,000	803,200,120	1,229,093,775	2,032,293,895	769,117,149	809,476,351	1,578,593,500
Short-Term Bonds and Notes—															
Railroads	--------	5,500,000	5,500,000	--------	5,000,000	5,000,000	--------	9,500,000	9,500,000	--------	--------	--------	4,550,000	1,450,000	6,000,000
Public utilities	6,360,000	190,000	6,550,000	910,000	--------	910,000	1,460,000	5,800,000	7,260,000	2,000,000	4,000,000	6,000,000	3,576,080	44,623,920	48,200,000
Iron, steel, coal, copper, &c	450,000	7,000,000	7,450,000	--------	--------	--------	550,000	--------	550,000	--------	750,000	750,000	600,000	--------	600,000
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Motors and accessories	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Other industrial and manufacturing	179,500	150,000	329,500	1,100,000	2,561,000	3,661,000	--------	9,000,000	9,000,000	30,000	120,000	150,000	3,140,000	800,000	3,940,000
Oil	--------	--------	--------	--------	14,000,000	14,000,000	--------	--------	--------	1,189,000	211,000	1,400,000	--------	--------	--------
Land, buildings, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	40,000	--------	40,000	--------	--------	--------
Rubber	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Shipping	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Miscellaneous	17,258,035	5,241,965	22,500,000	10,000,000	5,000,000	15,000,000	2,500,000	50,000,000	52,500,000	323,000	1,827,000	2,150,000	35,950,000	--------	35,950,000
Total	24,247,535	18,081,965	42,329,500	12,010,000	26,561,000	38,571,000	4,510,000	74,300,000	78,810,000	3,582,000	6,908,000	10,490,000	47,816,080	46,873,920	94,690,000
Stocks—															
Railroads	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Public utilities	24,638,390	108,683,355	133,321,745	27,885,641	125,983,369	153,869,010	5,468,304	132,705,429	138,173,733	5,104,882	17,253,610	22,358,492	6,433,562	86,310,252	92,743,814
Iron, steel, coal, copper, &c	--------	--------	--------	2,559,985	375,000	2,934,985	2,500,000	--------	2,500,000	1,566,929	--------	1,566,929	41,185,654	54,991,099	96,176,753
Equipment manufacturers	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	304,650	162,850	467,500
Motors and accessories	--------	--------	--------	4,094,000	1,306,000	5,400,000	2,680,000	--------	2,680,000	--------	--------	--------	12,734,553	--------	12,734,553
Other industrial and manufacturing	125,442,396	17,461,411	142,903,807	56,817,596	34,755,028	91,572,624	68,318,669	2,045,633	70,364,302	49,548,081	6,370,054	55,918,135	223,821,609	62,484,350	286,305,959
Oil	--------	--------	--------	875,000	--------	875,000	1,275,000	--------	1,275,000	1,932,500	--------	1,932,500	46,418,037	121,106,765	167,524,802
Land, buildings, &c	--------	--------	--------	--------	--------	--------	100,000	--------	100,000	--------	--------	--------	--------	--------	--------
Rubber	--------	--------	--------	1,400,000	--------	1,400,000	213,900	--------	213,900	--------	--------	--------	2,494,490	682,500	3,176,990
Shipping	--------	--------	--------	2,099,780	1,530,000	3,629,780	--------	--------	--------	462,000	--------	462,000	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	--------	--------	--------	--------	--------	--------	100,000	--------	100,000	99,000	--------	99,000
Miscellaneous	18,379,827	--------	18,379,827	39,519,750	28,731,389	68,251,139	16,202,726	2,407,759	18,610,485	7,852,438	7,520,300	15,372,738	74,587,429	26,591,859	101,179,288
Total	168,460,613	126,144,766	294,605,379	135,251,752	192,680,786	327,932,538	96,758,599	137,158,821	233,917,420	66,566,830	31,143,964	97,710,794	408,078,984	352,329,675	760,408,659
Total—															
Railroads	252,071,000	113,205,000	365,276,000	144,456,398	227,832,602	372,289,000	84,958,000	100,638,000	185,596,000	15,993,000	56,378,000	72,371,000	231,650,000	125,099,000	356,749,000
Public utilities	396,958,570	972,506,075	1,369,464,645	258,429,038	1,005,648,272	1,274,077,310	61,244,676	1,265,712,857	1,326,957,533	272,907,472	949,730,815	1,222,638,287	153,303,829	674,217,985	827,521,814
Iron, steel, coal, copper, &c	9,850,000	69,400,000	79,250,000	14,672,985	349,567,000	364,239,985	20,310,000	94,900,000	115,210,000	156,955,929	6,118,000	163,073,929	130,594,604	99,067,149	229,661,753
Equipment manufacturers	3,440,000	3,498,000	6,938,000	6,250,000	--------	6,250,000	3,900,000	7,000,000	10,900,000	--------	--------	--------	3,724,650	162,850	3,887,500
Motors and accessories	--------	--------	--------	4,094,000	1,306,000	5,400,000	2,680,000	--------	2,680,000	--------	--------	--------	18,499,953	4,934,600	23,434,553
Other industrial and manufacturing	219,263,679	160,182,428	379,446,107	102,639,861	152,093,763	254,733,624	108,191,403	47,650,099	155,841,502	142,003,416	51,059,719	193,063,135	330,245,221	101,961,238	432,206,459
Oil	56,319,000	84,656,000	140,975,000	12,675,000	119,500,000	132,175,000	56,648,447	170,726,553	227,375,000	224,103,795	82,900,305	307,004,100	194,315,537	149,384,265	343,699,802
Land, buildings, &c	1,203,000	34,558,000	35,761,000	1,032,800	12,299,200	13,332,000	4,753,880	8,604,120	13,358,000	6,324,900	12,894,600	19,219,500	10,063,000	23,378,000	33,441,000
Rubber	10,400,000	44,600,000	55,000,000	1,400,000	--------	1,400,000	213,900	--------	213,900	37,173,000	97,827,000	135,000,000	3,344,490	682,500	4,026,990
Shipping	250,000	--------	250,000	2,099,780	1,530,000	3,629,780	--------	--------	--------	462,000	--------	462,000	--------	--------	--------
Inv. trusts, trading, holding, &c	--------	--------	--------	1,350,000	4,000,000	5,350,000	2,000,000	19,005,000	21,005,000	4,100,000	--------	4,100,000	349,000	--------	349,000
Miscellaneous	87,558,967	62,530,860	150,089,827	177,282,920	152,418,219	329,701,139	38,552,726	98,476,759	137,029,485	13,325,438	10,237,300	23,562,738	148,921,929	29,792,359	178,714,288
Total corporate securities	1,037,314,216	1,545,136,363	2,582,450,579	736,382,782	2,026,195,056	2,762,577,838	383,453,032	1,812,713,388	2,196,166,420	873,348,950	1,267,145,739	2,140,494,689	1,225,012,213	1,208,679,946	2,433,692,159

$100,000 **First Methodist Episcopal Church of Wilmette, Ill.** first refunding mortgage, 4% serial bonds, due 1942-1951. Purpose, refunding. Price, 101 and interest. Offered by B. C. Ziegler & Co.

72,000 **St. Andrew's Parish School and Holy Souls Chapel, Little Rock, Ark.** first mortgage (3-3½%) serial bonds, due 1942-1951. Purpose, refunding. Offered by Dempsey-Tegeler & Co.

72,000 **St. Elizabeth's Parish, Cleveland, O.** first mortgage serial 3% real estate bonds, due 1942-1951. Purpose, refunding. Offered by Dempsey-Tegeler & Co.

35,000 **St. George's Parish Hall and School Building, St. Louis County, Mo.** first mortgage (2-2½-3%) real estate serial bonds, due 1942-1951. Purpose, refunding. Offered by Dempsey-Tegeler & Co.

56,000 **St. Joseph's Ursuline Novitiate, Kirkwood, Mo.** first mortgage 3% serial bonds, due 1942-1951. Purpose, refunding. Offered by Dempsey-Tegeler & Co.

$3,835,000

MISCELLANEOUS

$500,000 **Beacon Associates, Inc.** 6½% participating sinking fund debentures, series A, due July 1, 1971. Purpose, advances to wholly-owned subsidiaries to make loans, liquidate bank loans, &c. Price, $110 and interest. Offered by F. L. Putnam & Co., Inc.

SHORT-TERM BONDS AND NOTES (ISSUES MATURING UP TO AND INCLUDING FIVE YEARS)

PUBLIC UTILITIES

*$5,000,000 **Associated Gas & Electric Corp.** 2.257% trustees certificates, due $1,000,000 Dec. 18, 1942 and $4,000,000 Dec. 18, 1943. Purpose, settlement of tax claims. Purchased by Guaranty Trust Co. of New York.

STOCKS

Preferred stocks of a stated par value are taken at par, while preferred stocks of no par value and all classes of common stock are computed at their offering prices.)

PUBLIC UTILITIES

$600,000 **Mobile Gas Service Corp.** 6,000 shares of 6% cumulative preferred stock (par $100). Purpose, refunding ($351,400) construction fund, pay interest on income bonds, &c. Price, $92.50 per share. Offered by the First Boston Corp., the Robinson-Humphrey Co., Granbery, Marache & Lord, Starkweather & Co., Lamar, Kingston & Labouisse, Ward, Sterne, Agee & Leach and Shropshire & Co.

OTHER INDUSTRIAL AND MANUFACTURING

$3,000,000 **Abbott Laboratories** 30,000 shares of 4% cumulative preferred stock (par $100). Purpose, refunding ($1,382,654), working capital ($1,617,346). Price, $104 per share. Offered by A. G. Becker & Co., Inc., F. S. Moseley & Co., and Shields & Co.

125,000 **Hallett Manufacturing Co., Los Angeles,** 125,000 shares of 6% cumulative, convertible and redeemable preferred stock (par $1). Purpose, working capital, &c. Price, par. Offered by L. H. Bullock, Oakland, Calif.

5,369,000 **Merck & Co., Inc.** 53,690 shares of 4½% cumulative preferred stock (par $100). Purpose, retire serial bank loan ($3,000,000) working capital ($2,369,000). Price, $105 per share. Offered by Goldman, Sachs & Co., Lehman Brothers, Baker, Weeks & Harden, Bodell & Co., Inc., Bristol & Willett, Dillon, Read & Co., Drexel & Co., the First Boston Corp., Harriman Ripley & Co., Inc., Hemphill, Noyes & Co., Kidder, Peabody & Co., Laird, Bissell & Meeds, Merrill Lynch, Pierce & Beane, and Union Securities Corp.

54,250 **Midwest Tool & Mfg. Co.** 27,125 shares of common stock (par $1). Purpose, pay promissory notes, working capital. Price, $2 per share. Offered by Keane & Co.

6,000,000 **Vultee Aircraft, Inc.** 240,000 shares of $1.25 cumulative convertible preferred stock (no par). Purpose, purchase of interest in Consolidated Aircraft Corp. Price, $25 per share. Offered by Blyth & Co., Inc., Emanuel & Co., A. C. Allyn & Co., Inc., Bankamerica Co., John J. Bergen & Co., Ltd., Brush, Slocumb & Co., Cavanaugh, Morgan & Co., Inc., Paul H. Davis & Co., Dominick & Dominick, Eastland, Douglass & Co., Hallgarten & Co., Hayden, Stone & Co., Carlton M. Higbie Corp., Hill Richards & Co., Johnston, Lemon & Co., Lehman Brothers, Lester & Co., Carl M. Loeb, Rhoades & Co., Mitchum, Tully & Co., G. M.-P. Murphy & Co., Pacific Co. of California, Page, Hubbard & Asche, E. H. Rollins & Sons, Inc., Schoellkopf, Hutton & Pomeroy, Inc., Schroder Rockefeller & Co., Inc., William R. Staats Co., Stern, Wampler & Co., Inc., Stone & Webster and Blodget, Inc., and Sutro & Co.

$14,548,250

FARM LOAN AND GOVERNMENT AGENCY ISSUES

$44,620,000 **Federal Intermediate Credit Banks** consolidated debentures dated Jan. 2, 1942—$20,260,000 ⅞% due June 1, 1942, and $22,460,000 1%, due Aug. 1, 1942. Purpose, $25,100,000 refunding, and $19,520,000 new capital. Price, slight premeium over par. Offered by Charles R. Dunn, New York, fiscal agent.

ISSUES NOT REPRESENTING NEW FINANCING

$235,000 **Abbott Laboratories** 5,000 shares of common stock (no par). Price, $47 per share. Offered by A. G. Becker & Co.

181,667 **Alpha Portland Cement Co.** 10,000 shares of common stock (no par). Price, $18⅜ per share. Offered by Blyth & Co., Inc.

4,900,000 **Aluminum Co. of America** 49,000 shares of 6% preferred stock (par $100). Price, $112.50 per share. Offered by Mellon Securities Corp.

190,000 **Aluminum Co. of America** 2,000 shares of common stock (no par). Price, $95 per share. Offered by Blyth & Co., Inc.

76,250 (**E. W.**) **Bliss Co.** 5,000 shares of common stock (par $1). Price, $15⅜ per share. Offered by Van Alstyne, Noel & Co.

912,500 **Bond Stores, Inc.** 50,000 shares of common stock (par $1). Price, $18.25 per share. Offered by Lehman Brothers, Wertheim & Co., Blyth & Co., Inc., Clark, Dodge & Co., Dominick & Dominick, Hornblower & Weeks, A. G. Becker & Co., Inc., Hallgarten & Co., Auchincloss, Parker & Redpath, Emanuel & Co., G. M.-P. Murphy & Co., Otis & Co., Bear, Stearns & Co., R. S. Dickson & Co., Inc., the First Cleveland Corp., L. F. Rothschild & Co., Stein Bros. & Boyce, Vietor, Common & Co., and Henry Herrman & Co.

246,622 **Cessna Aircraft Co.** 21,445 shares of common stock (par $1). Price, $11.50 per share. Offered by Auchincloss, Parker & Redpath.

726,250 **Consolidated Aircraft Corp.** 35,000 shares of common stock (par $1). Price $20¾ per share. Offered by Allen & Co.

282,668 **Erie RR.** 44,340 shares of new common stock "when issued." Price, $6⅜ per share. Offered by Hemphill, Noyes & Co., and Merrill Lynch, Pierce, Fenner & Beane.

2,221,750 **General Motors Corp.** 75,000 shares of common stock (par $10). Price, $29⅝ per share. Offered by Union Securities Corp., Lee Higginson Corp., and A. C. Allyn & Co.

106,200 (**M. A.**) **Hanna Co.** 5,000 shares of common stock (no par). Price, $21.25 per share. Offered by Merrill, Turben & Co.

5,249,199 **Keamey & Trecker Corp.** 198,083 shares of common stock, (par $3). Price, $26.50 per share. Offered by Blyth & Co., Inc., Wisconsin Co., A. C. Allyn & Co., Inc., Ames, Emerich & Co., Inc., Blue Ridge Corp., Davis, Skaggs & Co., First Boston Corp., Graham, Parsons & Co., Hallgarten & Co., Harriman Ripley & Co., Inc., W. E. Hutton & Co., Kalman & Co., Inc., Loewi & Co., Milwaukee Co., Paine, Webber & Co., Reynolds & Co., Stern Bros. & Co., Stroud & Co., Inc., Sutro & Co., and Wells-Dickey Co.

1,500,000 **Marmon-Herrington Co., Inc.** 150,000 shares of common stock (par $1). Price, $10. Offered by Brown, Schlessman, Owen & Co., Van Alstyne, Noel & Co., Crowell, Weedom & Co., Cohu & Torrey, Burr & Co., B. V. Christie & Co., W. J. Lackey & Co., Strauss Securities Co., Alexander & Co., Inc., Milton R. Underwood & Co., Mahan, Dittmar & Co., Henry C. Robinson & Co., Inc., Chas. B. White & Co., George V. Rotan Co., Searl-Merrick Co., and Nelson, Douglass & Co.

2,226,615 **Maryland Drydock Co.** 112,740 shares of common stock ($1 par). Price, $19.75 per share. Offered by Shields & Co., Blyth & Co., Inc., Hornblower & Weeks, Lee Higginson Corp., White, Weld & Co., Riter & Co., McDonald-Coolidge & Co., Blair & Co., Inc., Singer, Deane & Scribner, Robert Garrett & Sons, Mitchum, Tully & Co., Piper, Jaffray & Hopwood, Auchincloss, Parker & Redpath, George D. B. Bonbright & Co., W. E. Clucas & Co., Draper, Sears & Co., A. G. Edwards & Sons, Farwell, Chapman & Co., Ferris & Hardgrove, Graham, Parsons & Co., Hayden, Miller & Co., Hill & Co., Otis & Co., Parrish & Co., William R. Staats Co., and Stern, Wampler & Co., Inc.

900,000 **Merck & Co.** 30,000 shares of common stock (par $1). Price $30 per share. Offered by Goldman, Sachs & Co., Lehman Brothers, Baker, Weeks & Harden, Bodell & Co., Inc., Bristol & Willett, Dillon, Read & Co., Drexel & Co., the First Boston Corp., Harriman Ripley & Co., Inc., Hemphill, Noyes & Co., Kidder, Peabody & Co., Laird, Bissell & Meeds, Merrill, Lynch, Pierce, Fenner & Beane, and Union Securities Corp.

45,750 **Midwest Tool & Mfg. Co.** 22,875 shares of common stock (par $1). Price, $2 per share. Offered by Keane & Co.

52,576 **Niles-Bement-Pond Co.** 3,968 shares of common stock (no par). Price, $13.25 per share. Offered by Lazard, Freres & Co.

100,000 **Pure Oil Co.** 1,000 shares of 6% cumulative preferred stock (par $100). Price, $104 per share. Offered by Blair & Co., Inc.

543,750 **St. Helens Pulp & Paper Co.** 25,000 shares of common (v. t. c.) shares (par $10). Price, $21.75 per share. Offered by Blyth & Co., Inc., Dean, Witter & Co., Ferris & Hardgrove, Hemphill, Fenton & Campbell, Inc., E. M. Adams & Co., Blackenship & Gould, Inc., Warrens, Bosch & Flean, Atkinson, Jones & Co., and Camp & Co., Inc.

125,000 **Virginian Ry.** 5,000 shares of 6% cumulative preferred stock (par $25). Price, $29¾ per share. Offered by Wertheim & Co.

157,250 **Walgreen Co.** 8,500 shares of common stock (no par). Price, $18¼ per share. Offered by Glore, Forgan & Co.

101,250 **Western Auto Supply Co.** 5,000 shares of common stock (par $10). Price, about $20¼ per share. Offered by Allen & Co.

$21,080,297

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* Indicates issues placed privately.